Review of Prospectus for Kitimat-Terrace Port Society Proposal

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Major Project Review Process
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EXECUTIVE SUMMARY

The Kitimat-Terrace Port Society proposes to construct a multi-purpose marine terminal east of the existing Eurocan terminal at Kitimat, British Columbia.

The proposed new terminal would handle lumber from mills in northwest British Columbia, pulp from planned and existing mills in northern British Columbia and Alberta, raw materials, products and by-products from a proposed copper smelter or equivalent industrial development in the Kitimat-Terrace corridor, and general and containerized cargo. The proposed port project envisages the construction, in two phases, of two deep-sea berths, a coastal berth for barges, pocket cruise ships and ferries, and 15 hectares of land for cargo storage and handling.

Approximately 36 hectares of fisheries habitat and 40 to 50 hectares of wildlife habitat in and adjacent to the site could be potentially impacted by the project. The Port Society has proposed that 18 hectares of habitat compensation be constructed on the northwest side of Minette Bay.

The Kitimat-Terrace Port Society's proposal is subject to review under the Major Project Review Process (MPRP). As such, the Port Society filed its prospectus with the Major Project Steering Committee (MPSC) on March 6, 1991. The project is also subject to the federal Environmental Assessment and Review Process (EARP).

The prospectus was distributed to federal, provincial, regional and municipal officials, Native groups, environmental organizations, and to public libraries and Government Agent offices in the region. Advertisements were placed by the proponent in local newspapers on March 6 and March 13, 1991, advising the public about the project and its review under the MPRP. Public information meetings were held in Kitimat and Terrace on March 18 and 19, 1991, respectively. A public meeting without the proponent, but with representatives from the MPSC, was held in Prince Rupert on April 9, 1991.

Public comments on this project were polarized. Strong support came from Kitimat and Terrace area residents, while Prince Rupert residents and Native communities were strongly opposed to the project. A soft level of support was present in communities east of Terrace.

Key issues raised by the public and government agencies included project justification, the loss of fish and waterfowl habitat, the uncertainty of the habitat compensation proposal, the potential for release of contaminated sediments, and the socio-economic impacts on Prince Rupert and Native communities.

On the basis of these issues, the MPSC concluded that the chosen site with the proposed terminal configuration and habitat compensation package was unacceptable, and that the proponent should be requested, in consultation with federal and provincial environmental agencies, to undertake sequential studies which would:

- identify and assess the environmental impacts and development costs (including off-site infrastructure) of other potential sites and strategies to accommodate potential cargo demand;
- identify possible modification to the terminal configuration which could make the currently chosen site more acceptable; and
- identify and delineate habitat compensation proposals which could successfully offset habitat losses.

The MPSC recommends that these studies be submitted to the MPSC as an addendum to the prospectus, and be reviewed in the same manner as the prospectus.

Following the identification of an acceptable site, terminal configuration and habitat compensation package, the MPSC recommends that the proponent be requested to prepare a Stage II report, which would contain a comprehensive socio-economic and environmental impact assessment. At this time, consideration should also be given to the establishment of a joint federal/provincial review panel to conduct an independent review of all the environmental and socio-economic impacts of the project. This would include the holding of public hearings.

After reviewing the recommendation and findings of the MPSC, the Provincial Government decision is that the Kitimat-Terrace Port Society's proposal should proceed directly to Stage II of the MPRP, and that an independent panel should be appointed to conduct a public review of the environmental and socio-economic impacts of the project. This review would include an assessment of alternative sites and configurations for the port proposal. The Provincial Government has requested that the Federal Government participate in the establishment and appointment of a joint MPRP/EARP review panel for this project.

1.0 INTRODUCTION

This report presents the findings of the Major Project Steering Committee (MPSC) on the prospectus of the Kitimat-Terrace Port Society for a multi-purpose marine terminal at Kitimat. The report is based on submissions made by the general public and government agencies regarding the prospectus and related background documents.

The Kitimat-Terrace Port Society submitted its prospectus to the MPSC for review on March 6, 1991. Copies of the prospectus were made available to the public and to government agencies for review and comment. These comments have now been received and reviewed by the MPSC. A summary of the main issues raised by the public and government agencies is presented in Chapter 4. The MPSC's findings and recommendation on the prospectus, and the Provincial Government decision, are contained in Chapter 5.

2.0 PROJECT DESCRIPTION

The Kitimat-Terrace Port Society proposes the construction of a multi-purpose marine terminal east of the existing Eurocan terminal at Kitimat, British Columbia (See Figure 4.1). Outlined below is the port proposal, as envisaged by the Kitimat-Terrace Port Society. Further details on the proposed project are contained in the Kitimat Marine Terminal Development Prospectus submitted by the Kitimat-Terrace Port Society (Volumes 1 and 2), and in the Kitimat-Terrace Port Study Feasibility Report, prepared by Sandwell Inc., dated February 28, 1991.

2.1 The Port Proposal

Initially, the proposed terminal is expected to handle lumber from mills in northwestern British Columbia. In the longer term, other products expected to be shipped through the Kitimat terminal include pulp from planned and existing mills in northern British Columbia and Alberta, raw materials, products and by-products from a proposed copper smelter or equivalent industrial development in Kitimat, and general and containerized cargo. Forecasts of cargo to be handled at the terminal are summarized in Table 3.3 of the prospectus (Volume 1, page 2-2).

The Port Society envisages the construction, in two phases, of two deepsea berths, a coastal berth for barges, pocket cruise ships and ferries; and 15 hectares of land for cargo storage and handling. The proposed terminal would cover some Eurocan property, but is mainly on Crown foreshore. The terminal pad would be created with hydraulically placed dredge spoil from Douglas Channel. The volume of dredging would be approximately 1.8 million cubic metres.

The Port Society's preferred terminal layout is identified as Scheme A in the prospectus. According to the proponent, Scheme A has the following advantages:

- Terminal fill provides separation between the dredged channel and the Kitimat River, avoiding the need for a separate training dyke.

- The fill is well separated from Eurocan's terminal, and resulting settlements will not affect the Eurocan site.

- This layout maintains the potential for Eurocan to add a third berth in the future if required.

Two other terminal layouts were also studied, but were considered less efficient in terms of cargo handling.

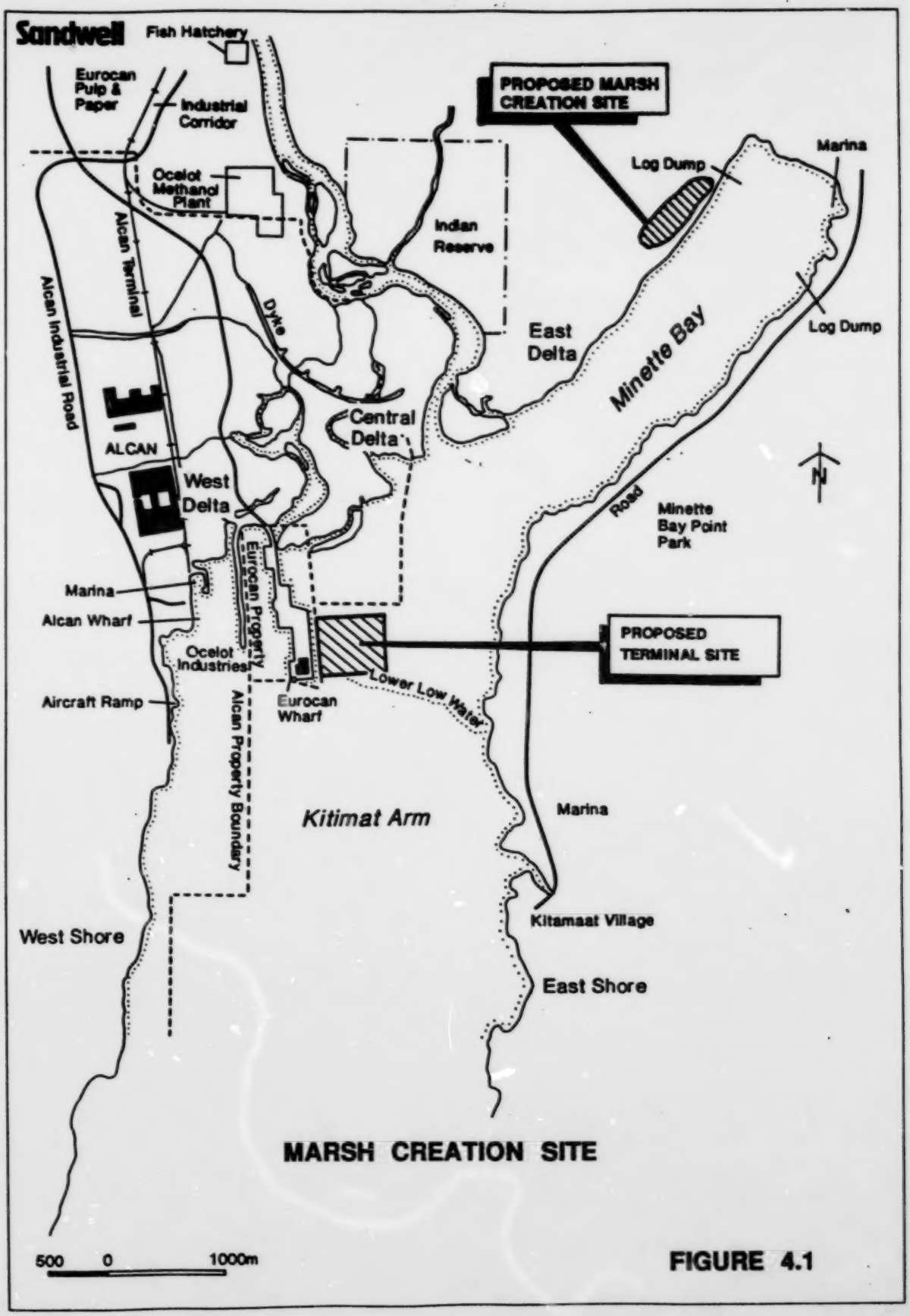
Sandwell
Fish Hatchery
Eurocan Pulp & Paper
Industrial Corridor
PROPOSED MARSH CREATION SITE
Log Dump
Marina
Ocelot Methanol Plant
Indian Reserve
Alcan Terminal
Alcan Industrial Road
Dyke
East Delta
Minette Bay
Log Dump
Central Delta
ALCAN
West Delta
N
Road
Minette Bay Point Park
Eurocan Property
Marina
Alcan Wharf
Ocelot Industries
PROPOSED TERMINAL SITE
Lower Low Water
Aircraft Ramp
Eurocan Wharf
Alcan Property Boundary
Kitimat Arm
Marina
Kitamaat Village
West Shore
East Shore
MARSH CREATION SITE
500 0 1000m

FIGURE 4.1

The proponent anticipates that the Provincial Government will fund the dredging, filling, slope protection, and habitat compensation works required for the project. It is envisaged that the site will then be contracted to a terminal operator who will be responsible for all terminal facilities such as wharfs, buildings, pavement, cargo handling equipment and utilities.

2.2 Alternative Sites

In addition to the proposed site east of the Eurocan terminal, an alternative site south of the Alcan smelter at Hospital Beach was also considered. From the proponent's perspective, however, the Hospital Beach site is not believed to be a practical alternative for the following reasons:

- The site is owned by Alcan and is reserved for Alcan's future expansion. While a portion of the area may be available after Alcan's long-term requirements are provided for, it is unlikely that the full land area required for the multi-purpose terminal can be feasibly developed at this site.

- Highway and rail access to the site would have to skirt the Alcan smelter to the west of the plant boundary. This would involve very expensive construction on steep hillside terrain. Rail access to the terminal would be very difficult or impractical due to grade limitations.

- Geotechnical conditions at this site may severely limit the extent of landfill that can be safely constructed. The large sub-marine slide that occurred nearby in 1975 indicated potential instability of the underlying soils.

The site proposed for the multi-purpose terminal is therefore located east of the existing Eurocan marine terminal.

2.3 Infrastructure Requirements

The proposed terminal will require road, rail and power infrastructure. Preliminary design for a road which would provide public access to the proposed new multi-purpose terminal has been undertaken by the Ministry of Transportation and Highways.

The CNR tracks will need to be extended from the present line south of the Ocelot spur to the terminal gate. This line could also serve the Eurocan terminal.

Power supply to the new terminal will also be required. The probable tie-in point to existing B.C. Hydro service is at the present supply line to Ocelot Industries marine terminal.

The terminal is to be self sufficient with respect to water supply and sewage disposal, so no extension of municipal water and sewage systems is being proposed.

The proponent believes that existing infrastructure in the Kitimat-Terrace area for housing, school, hospitals and other public services is adequate to accommodate the work force generated by the project during both construction and operation of the proposed terminal.

2.4 Environmental Impacts/Habitat Compensation Proposal

A preliminary environmental impact assessment of the proposed Kitimat port project on fish and aquatic habitat, wildlife, water and sediment quality, atmospheric resources and heritage resources was conducted by Norecol Environmental Consultants Ltd. for the proponent. Norecol's full report is included in Volume 2 of the Port Society's Prospectus. A brief description of their findings follows.

The preliminary environmental assessment concluded that the port project would have moderate to severe impacts on fish and waterfowl habitat, but that these could be compensated by creation of marsh habitat. Impacts on air and water quality would likely be minimal. There are no known archaeological resources at the proposed terminal site or at the proposed marsh construction area at Minette Bay.

The preliminary assessment of sediment samples did not indicate the presence of contaminated sediments. Ten sediment samples were tested in 1990 from locations in the proposed terminal site for heavy metals, dioxins/furans, polychlorinated biphenyls (PCB), polynuclear aromatic hydrocarbons (PAH), polychlorinated phenols (PCP) and total organic carbon (TOC). All samples were within guidelines for ocean dumping. There was no evidence of the elevated cadmium levels reported in 1976 tests from the site.

According to the proponent's consultants, potential impacts on water quality would be limited to temporary increases in suspended solids caused by dredging and filling activities. The proponent does not expect these impacts to be significant as concentration of contaminants and heavy metals in sediments appears low.

According to the prospectus, the project would impact 36 hectares of fisheries habitat, including 18 hectares of intertidal sand/mud habitat which would be permanently lost, and 18 hectares of tidal habitat which would be less productive due to dredging. Also affected would be 40 to 50 hectares of wildlife habitat in and adjacent to the site. To compensate for this lost habitat, the development of 18 hectares of new tidal marsh is proposed for Minette Bay. Tidal marsh to provide fish and waterfowl habitat would be created by excavating the low-lying uplands to provide the appropriate elevation range, and by transplanting vegetation from the adjacent marshland.

Other on-site and off-site compensatory marsh habitats were also considered by the proponent, but rejected because of potential losses to waterfowl habitat in the area immediately adjacent to the proposed terminal site.

Mitigation measures proposed for reducing potential impacts on water quality include appropriate dredging and filling methods and timing, and site drainage planning. Unspecified effluent treatment facilities will be used, if required, to maintain estuarine water quality.

2.5 Socio-Economic Impacts

According to the proponent, the $63 million project would create 94 person-years of construction employment during Stage 1, and 50 person-years of construction employment during Stage 2. Initial port operations would generate 20 jobs for full time staff, and the equivalent of 65 full time jobs for cargo handling and shiploading. With both berths operating at capacity, a total of 155 full time jobs will be created.

In the initial stage of the port's operation, approximately 300,000 tonnes of lumber is expected to be diverted from Prince Rupert. This is estimated to result in a loss of 40 full time jobs for terminal and stevedoring labour, plus a further 24 induced jobs at Prince Rupert. The proponent expects this loss of jobs at Prince Rupert to be temporary as these jobs will be replaced as general growth in North Coast cargo traffic occurs.

2.6 Navigational Issues

Navigation to and from Kitimat for deepsea ships poses no unusual problems. According to the proponent, the main navigation issue affecting deepsea ships visiting Kitimat is the limited anchorage available at the head of Douglas Channel. There is anchorage for up to three vessels on a fair weather only basis. The proposed terminal would likely limit anchorage at Kitimat to two vessels to avoid interference with the approach to the new terminal. The

limited anchorage will cause delays for some vessels on occasion.

Emergency anchorage locations are available near the entrance to Douglas Channel, however, the closest secure anchorage is at Prince Rupert.

Vessel traffic at the new terminal is estimated to be approximately 50 ships per year initially, increasing to roughly 120 per year in the long term. Some of these ships would also be calling at the Eurocan or Alcan terminals, so the actual increase in vessel traffic could be roughly 60-80 per cent of the above numbers. Present deepsea ship traffic to Kitimat is approximately 220 vessels per year.

3.0 THE MAJOR PROJECT REVIEW PROCESS (MPRP)

3.1 MPRP OVERVIEW

The MPRP provides for a comprehensive and timely assessment of the environmental and socio-economic impacts of major industrial and port projects in British Columbia. It is administered by the Major Project Steering Committee (MPSC), which is responsible for coordinating the public and government agency review of major industrial and port projects, and for recommending whether a project should be granted approval in principle, rejected, or reviewed further.

The MPSC has permanent representatives from the Ministry of Development, Trade and Tourism, B.C. Environment, Ministry of Forests, Ministry of Municipal Affairs, Recreation and Culture, Ministry of Energy, Mines and Petroleum Resources, Environment Canada, and the Federal Environmental Assessment Review Office (FEARO). Federal input into the MPRP is coordinated by the Environment Canada representative on the MPSC.

Representatives from other provincial and federal agencies, and local and regional governments impacted by a specific project are invited to join the MPSC on a project-specific basis.

The MPRP is divided into three stages: Prospectus; Stage I; and Stage II. The number of review stages which a project must proceed through before receiving approval in principle or rejection depends on the significance of expected environmental and socio-economic impacts.

Projects for which no significant impacts are anticipated, or for which identified impacts can be readily mitigated or managed, will normally be granted approval in principle at the conclusion of the prospectus review. This enables the proponent to proceed with the finalizing of necessary permits and licences from regulatory agencies in order to initiate development. If further review is required, then the project will be referred to either a Stage I or a Stage II review. Approval in principle is required prior to the issuance of all provincial permits, licences or approvals for any project that falls under the jurisdiction of the MPRP.

Concurrent with the MPRP review of a project, federal agencies undertake a similar review in accordance with the Environmental Assessment and Review Process (EARP). The EARP review is generally coordinated by a task force, comprised of federal agencies with statutory or regulatory responsibilities for reviewing the particular project.

For the Kitimat Port project, the federal review was conducted by the Northern Task Force on Ports and Marinas, chaired by the Department of Fisheries and Oceans. Other departments represented on the task force were Environment Canada, Transport Canada and the Department of Indian and Northern Affairs.

The Northern Task Force comments on the project were submitted to the MPSC as the federal government position. These federal comments, and comments received from the public, will form the basis for the EARP screening decision on this project.

Further information on the MPRP is contained in the MPRP Guidelines, revised March 1991.

3.2 PROSPECTUS REVIEW

The formal review of a project under the MPRP begins with the submission of a prospectus by the project's proponent to the MPSC. Copies of the prospectus are then distributed to community, environmental and Native groups, and to local libraries and government offices to enable the public to review and comment on the document(s). Copies are also forwarded to federal, provincial, regional and local government agencies for their review and comment. Shortly after the distribution of the prospectus, the proponent is required to hold a public information meeting at which the project proposal and the MPRP are described.

After public and government agency comments on a project have been submitted, these are considered by the MPSC, and an attempt is made to develop a consensus on the disposition of the project. Upon completion of its deliberations, the MPSC prepares a report outlining its recommendations. The report, which includes all government agency and public comments, is made public.

A detailed guide to the prospectus preparation and review is contained in Appendix 2 of the MPRP Guidelines, while information requirements for the prospectus are contained in Appendix 3 of the MPRP Guidelines.

4.0 PUBLIC AND GOVERNMENT AGENCY REVIEW

4.1 DISTRIBUTION OF PROSPECTUS

The Kitimat-Terrace Port Society Prospectus was made available for public viewing on March 6, 1991, at the public libraries in Kitimat, Prince Rupert, Smithers, Terrace and Vancouver, the Government Agent offices in Kitimat, Prince Rupert, Smithers, Terrace and Prince George, and the Terrace Office of the Ministry of Environment. The prospectus was also made available in the Stewart Public Library at a later date.

In addition, courtesy copies of the prospectus were mailed to the following organizations and associations on March 6, 1991:

Haisla Tribal Council
Oweekeno/Kitasoo Nuxalk Tribal Councils
North Coast Tribal Council
Tsimshian Tribal Council
Kitimat Chamber of Commerce
Terrace and District Chamber of Commerce
Prince Rupert and District Chamber of Commerce
Hazelton and District Chamber of Commerce
Smithers and District Chamber of Commerce
Prince Rupert Port Corporation
CN Rail
Ocelot Industries Ltd. (Kitimat)
Alcan Aluminum Ltd.
Eurocan Pulp and Paper Company Ltd.
Kitimat Understanding The Environment (KUTE)
Rivers Defence Coalition
Kitimat Rod and Gun Association
Steelhead Society of BC
Canadian Stevedoring (Prince Rupert and Vancouver)
Bandstra Trucking
Canadian Paper Workers Union
Canadian Association of Smelter and Allied Workers
International Woodworkers of America Local 1-71
Greenpeace Foundation of Canada
West Coast Environmental Law Association

Advertisements were placed by the proponent in the Northern Sentinel, the Prince Rupert Daily News, the Prince Rupert This Week, the Terrace Review, the Terrace Standard, the Interior News, the Lakes District News, the Prince George Citizen, the Vancouver Sun and the Vancouver Province on March 6, 1991, and on March 13, 1991, notifying the public that the Kitimat Port project proposal was formally being reviewed under the MPRP, and that written comments on the prospectus could be submitted on or before April 12, 1991, for consideration by the MPSC.

4.2 PUBLIC INFORMATION MEETINGS

Public information meetings were held by the Kitimat-Terrace Port Society in Kitimat and Terrace on March 18 and 19, 1991 respectively. Notice of these meetings was given in the March 13, 1991, newspaper advertisements. At these meetings, the proponent outlined the proposed project, and the MPRP Coordinator explained the Major Project Review Process. Both public information meetings were well attended (over 100 persons attended each of the meetings). A summary of the issues raised at these public information meetings has been prepared by the Kitimat-Terrace Port Society (see Appendix 2).

Subsequent to the public information meetings in Kitimat and Terrace, several letters were received requesting that a public information meeting be held in Prince Rupert, and that the feasibility reports referenced in the prospectus be released publicly.

In response to these requests, the proponent released on March 28, 1991, the Kitimat-Terrace Port Study, Feasibility Report, Volumes 1 and 2, prepared by Sandwell Inc. Copies were made available by the proponent for public viewing at the Kitimat, Prince Rupert, Terrace and Smithers public libraries on March 30, 1991. A copy of this report was later sent to the Stewart Public Library, following a request from the District of Stewart on April 9, 1991.

On April 9, 1991, the Co-Chairmen of the MPSC attended a public meeting in Prince Rupert to answer questions on the review of the Kitimat port project. Over 100 people attended this meeting. The proponent was not in attendance at this meeting.

4.3 SUMMARY OF PUBLIC COMMENTS

The Major Project Steering Committee received 121 submissions from the public on the Kitimat-Terrace Port Society's proposal. Of these submissions, 15 requested a public information meeting be held in Prince Rupert, 22 were in favour of granting the project approval in principle, and 84 requested further review or rejection of the project. Four petitions supportive of the project were received from Kitimat residents, with approximately 500 signatures in total.

There was strong support for the project from many organizations and residents in Kitimat and Terrace. These submissions often pointed out that a multi-purpose terminal at Kitimat would help attract new industry to the community, and would provide an alternative port facility for shippers. Letters and briefs supporting the project were received from the Kitimat Chamber of Commerce, Terrace

Chamber of Commerce, Economic Development Advisory Commission of Kitimat, Terrace-Kitimat Airport Advisory Committee, Ocelot Chemicals Inc., PRM Resources Ltd. (proponent of the proposed copper smelter), Bandstra Transportation Systems Ltd., Glacier Concrete Ltd., Farwest Bus Lines Ltd., 16-37 Community Futures, Dana Marine Service and Skeena Cellulose.

Opposition to the project came primarily from organizations and residents in Prince Rupert and from Native band councils. Those requesting further review, or who were opposed to the project, included the Prince Rupert and District Chamber of Commerce, Prince Rupert Port Corporation, the MLA for Prince Rupert, Canada Ports Corporation, International Longshoremen's and Warehousemen's Union, Kitimat Village Council, Tsimshian Tribal Council, Hartley Bay Band Council, North Coast Tribal Council, Lax Kw'alaams Indian Band, Prince Rupert Labour Council, Commercial Fishing Industry Council, United Fishermen and Allied Workers' Union, Canadian Stevedoring Co. Ltd, Prince Rupert Fishermen's Cooperative Association, B.C. Northwest District Council, Kitimat Rod and Gun Association and Kitimat Sports Fishing Advisory Committee.

Many of these submissions expressed concern over the job losses that would occur in Prince Rupert, and questioned the economic rationale for developing a multi-purpose terminal at Kitimat, given that Fairview Terminals in Prince Rupert is currently operating well below full capacity. These submissions often referred to the proponent's estimates that 64 jobs would be shifted from Prince Rupert to Kitimat. A number of submissions noted that the proponent had failed to address the socio-economic impacts of these job losses on residents and businesses in the City of Prince Rupert.

Several submissions also noted that the Kitimat-Terrace Port Society's proposal appears to be inconsistent with the transportation priorities established by the North Coast Transportation Advisory Committee. In this regard, the development of a multi-purpose marine terminal at Kitimat received only a secondary priority rating. Concern was also expressed over the possible commitment of public funds to this project.

There was also criticism that the proponent released the Sandwell studies too close to the final date for the submission of public comments. Several requests to extend the April 12, 1991 deadline for public comments were received. Some submissions also expressed concern that the MPRP public information meetings were chaired by the proponent, as opposed to an independent individual.

A complete package of public comments is provided in Appendix 3.

4.4 GOVERNMENT AGENCY COMMENTS

The following federal, provincial, regional and municipal agencies provided comments on the Kitimat-Terrace Port Society's prospectus document. A complete package of agency comments is provided in Appendix 4.

4.4.1 FEDERAL AGENCY COMMENTS

Federal agency comments on the Kitimat-Terrace Port Society Proposal were coordinated by the Northern Task Force on Ports and Marinas, chaired by the Department of Fisheries and Oceans. Other federal agencies on the Task Force include Environment Canada, Transport Canada and the Department of Indian and Northern Affairs.

The Northern Task Force found that putting valuable fish and migratory bird habitat at risk for the development outlined in the prospectus was not acceptable. The task force recommended that this proposal be rejected. The task force pointed out that compensation for loss of such habitat is only acceptable when no alternative way of meeting public necessity is available. The task force concluded that the prospectus did not demonstrate this public necessity.

Department of Fisheries and Oceans

The Department of Fisheries and Oceans (DFO) recommends rejection of the proposal, as described in the prospectus. DFO stated that project justification has not been adequately demonstrated to warrant the resulting fish habitat loss and/or impact. Furthermore, DFO is of the view that the fish habitat loss and/or impacts cannot, with a high probability of success, be replaced by the compensation outlined in the prospectus. DFO also notes that the lack of detailed current and sedimentation data makes habitat impact assessment of this proposed development impossible.

In addition, DFO is concerned with the uncertainty regarding the potential products which could be handled, stored and shipped at the proposed facility. The potential increased risks to inland aquatic habitats from the transportation of hazardous materials and to marine habitat from the increase of ships in the channel needs to be addressed. DFO believes that the environmental assessment of impacts to marine foreshore environments, based on sampling during the dormant season and information from a literature review, is inadequate for a development of this type.

Transport Canada

Transport Canada states that further information is required from the proponent on project justification and social costs and benefits in order to adequately assess the project.

Canadian Coast Guard notes that the project raises no serious marine navigation issues. The Coast Guard suggests that one of the two remaining anchorage areas in Douglas Channel be designated for emergency purposes. A permit under the Navigable Waters Protection Act will be required.

Environment Canada

Environment Canada is concerned that the prospectus ignores compensation requirements for the 40 to 50 hectares of affected waterfowl habitat. Environment Canada maintains that further impacts on this important migratory bird habitat should be avoided as it provides food and shelter during the critical phases of waterfowl migration and wintering. Environment Canada notes that one-third of the Kitimat estuarine habitat has already been lost to port developments, with the remainder likely degraded because of heavy industry. Concern was also expressed verbally by Environment Canada about the accuracy of information in the prospectus regarding sediment contamination.

Department of Indian and Northern Affairs

The Department of Indian and Northern Affairs (DINA) rejects the proposal at the current site on the basis of habitat loss and corresponding reduction of the Kitimat fishery. DINA feels that the proposal has the potential for negative impacts upon the traditional Aboriginal fishing rights of the Haisla people. DINA feels that the proposed site for this development would remove important salmon and eulachon habitat which would reduce the number of fish produced by the system. The department is not opposed to the concept of the proposal, but to the proposed siting of the development.

4.4.2 PROVINCIAL AGENCY COMMENTS

Ministry of Environment

The Ministry of Environment considers the Kitimat Estuary to be of great significance to the marine environment in northwestern British Columbia.

The Ministry recommends that further review be required before approval in principle is considered for this project. This review should include a comprehensive

environmental impact assessment of the port development and associated infrastructure, detailed design and testing of replacement habitat, further sediment analysis and impact prediction, a more detailed analysis of current and tidal changes and impacts, and emergency planning and procedures.

Ministry of Transportation and Highways

The Ministry of Transportation and Highways recommends that the proposal be forwarded to an independent panel for further assessment. The Ministry of Transportation and Highways has concerns regarding the socio-economic effects of diverting traffic from Prince Rupert and the south coast ports, the potential implications if a private sector terminal operator can not be found, and the alleged benefits of port redundancy.

Ministry of Native Affairs

The Ministry of Native Affairs recommends that further consultation with Native bands, particularly the Haisla Tribal Council and Hartley Bay Band Council, be undertaken in order to fulfill the provincial government's fiduciary obligation to ensure that aboriginal activities (including fishing and hunting) are not arbitrarily interfered with. The proposed development is located in the vicinity of Haisla Indian reserves, Native heritage sites, and traditional hunting and fishing grounds.

The ministry notes that the proposed port facility falls within the comprehensive land claim of the Haisla Nation, which is represented by the Haisla Tribal Council (also referred to as the Kitimat Village Council). This land claim has been accepted for negotiation by the federal government, and was recently registered with the provincial Ministry of Native Affairs.

Ministry of Lands and Parks

The Ministry of Lands and Parks (Lands Division) recommends that approval in principle be granted to the proposal. The ministry notes that the proponent will have to obtain a waterlot tenure and a permit for dredging and filling from the ministry. The ministry also indicated that it has placed a Land Act reserve over the proposed site for future port development.

The Parks Division of the Ministry of Lands and Parks has no concerns with the proposed development.

Ministry of Municipal Affairs, Recreation and Culture

The Ministry of Municipal Affairs, Recreation and Culture (Development Services Branch) recommends that approval in principle be granted subject to further information being provided on the socio-economic impacts on the City of Prince Rupert, and on the additional truck traffic created in the vicinity of the proposed port.

The Archaeology Branch of the Ministry of Municipal Affairs, Recreation and Culture recommends that an archaeological impact assessment be carried out on the proposed ancillary activities and related developments, and that approval in principle be deferred until further review is undertaken.

Ministry of Energy, Mines and Petroleum Resources

The Ministry of Energy, Mines and Petroleum Resources indicates that adequate power supply to the site needs to be confirmed prior to approval in principle being granted. In addition, the Ministry expects the proponent to explore industrial Power Smart programs that will maximize the efficient use of energy at the proposed facility.

Ministry of Development, Trade and Tourism (Tourism Division)

The Tourism Division of the Ministry of Development, Trade and Tourism notes that the development of this port would present an opportunity for tourism development in the long term.

Ministry of Agriculture, Fisheries and Food

The Ministry of Agriculture, Fisheries and Food recommends that further assessment is required in order to identify the extent of fishery harvest loss by species, its importance to the commercial fishery, and to indicate appropriate mitigation measures.

Ministry of Education

The Ministry of Education has no concerns, as this project would not have a significant impact on educational facilities in the region.

Ministry of Health

The Medical Health Officer for the area states that medical care services and public health resources would appear not to be impacted by this project.

4.4.3 REGIONAL DISTRICT AND MUNICIPAL COMMENTS

Regional District of Kitimat-Stikine

The Regional District of Kitimat-Stikine supports an approval in principle decision at this stage, as it would create port competition in the North Coast, encourage efficiency by terminal operators, and provide an opportunity for a larger industrial base at Kitimat. Remaining issues and information requirements are believed to be manageable during the permitting phase of this project.

Skeena-Queen Charlotte Regional District

The Skeena-Queen Charlotte Regional District (SQCRD) recommends that this project either be subjected to further study (independent panel), or rejected. The regional district believes that the proposed port would duplicate the services offered by Fairview Terminals at Prince Rupert. It acknowledges that a port at Kitimat would be attractive to trucking companies although it is uncertain that there would be any benefits to rail shippers. The SQCRD is concerned that the addition of a port in Kitimat would simply divide the market for export goods and port-related support facilities, and would result in both ports being uneconomic.

Bulkley-Nechako Regional District

The Bulkley-Nechako Regional District supports the creation of a port at Kitimat.

District of Kitimat

The District of Kitimat supports the proposal to construct a marine terminal at Kitimat. It notes that many studies have been carried out over the past decade, and that it is now time to formalize the conditions under which a port at Kitimat can proceed.

City of Terrace

The City of Terrace supports the proposal of the Kitimat-Terrace Port Society for a public marine terminal at Kitimat, and recommends approval in principle be granted at the Prospectus Stage.

City of Prince Rupert

The City of Prince Rupert recommends that an independent review of this project take place to address its concerns regarding project justification, environmental and socio-economic impacts, and public involvement. The city's

submission expresses concerns about the project's economic viability, its socio-economic impact on Prince Rupert residents, particularly Natives and longshoremen, its environmental impacts, its impacts on the commercial fishery and fish processing plants centred in Prince Rupert (and sports fishing at Kitimat), and its relative importance to the transportation system for the North Coast.

The city is strongly opposed to the use of government funds to assist with infrastructure, dredging and site preparation, and is concerned that the construction of a port at Kitimat would transfer existing jobs from Prince Rupert to Kitimat.

Village of Port Edward

The Village of Port Edward believes that the project would have a detrimental effect on its economy. Further review of this project is considered necessary.

District of Stewart

The District of Stewart requested that further review of this proposal be undertaken. The District of Stewart is concerned with references in the Sandwell feasibility studies that paper from the proposed Orenda pulp and paper mill would be shipped through Kitimat, rather than Stewart, as Orenda had promised.

4.4.4 AGENCIES NOT COMMENTING

The Ministries of Development, Trade and Tourism (Development Division), Government Management Services, Social Services and Housing, Advanced Education, Training and Technology, Forests, the Peace River Regional District, the Fraser-Fort George Regional District and the Town of Smithers chose not to comment on the prospectus.

5.0 MAJOR PROJECT STEERING COMMITTEE REVIEW AND DECISION

The Steering Committee reviewing the Kitimat-Terrace Port Society's proposal included the permanent members of the MPSC, plus representatives of the Regional District of Kitimat-Stikine, the Skeena-Queen Charlotte Regional District, the Ministry of Transportation and Highways, the Ministry of Native Affairs, the Department of Fisheries and Oceans, Transport Canada and the Department of Indian and Northern Affairs. All members fully participated in the MPSC review of this project.

5.1 MPSC FINDINGS

The MPSC reviewed all comments submitted by the public and government agencies. During the course of this review, eight major issues have been identified. These are summarized below.

5.1.1 Fish and Waterfowl Habitat Loss

The chosen site, with the proposed terminal configuration, would result in significant loss of valuable fish and migratory waterfowl habitat. Alternative sites and strategies, which have less impact on fish and waterfowl habitat, should be investigated further.

5.1.2 Reliability of Habitat Compensation Proposal

A lack of confidence was expressed in the capability of the proposed habitat compensation package to adequately offset the impact of the lost fish and waterfowl habitat because significant differences in temperature, salinity, currents, tidal action and exposure exist between the proposed port site and the proposed compensation sites. Furthermore, there are only a few examples of fish habitat compensation arrangements in northern waters. All are much smaller in scale than the Kitimat compensation proposal, and are only in their early stages.

DFO policy is that compensation for lost habitat is only considered acceptable when no other alternative is available for meeting public necessity. DFO's position is that the proponent has not adequately demonstrated that the public necessity for the project is sufficient to justify the loss of valuable fish habitat.

5.1.3 Potential for Release of Contaminated Sediments

The release of potentially contaminated sediments into the estuary through dredging activity remains an issue, even though the sediment sampling program carried out by the proponent did not identify elevated levels of contamination. Further information is required from the proponent before a full assessment of the potential for sediment contamination can be completed.

5.1.4 Impacts on Current and Tidal Activity in the Estuary

The potential impact of increased current and tidal flows within the estuary caused by the port project could lead to changes in sedimentation patterns, freshwater/saltwater mixing, temperature regimes and other physical and chemical characteristics of the estuary. Studies are required to determine the full impacts of these changes on the productivity of the biological resources in the estuary.

5.1.5 Impacts on Prince Rupert and Other Communities

A more substantive socio-economic impact assessment is needed to provide detailed information on how the project will impact residents in Prince Rupert and other non-Native and Native communities in the North Coast Region. As part of this assessment, updated cargo forecasts should be prepared.

5.1.6 Consultation with Native Communities

Meaningful consultation is required with Native communities which could be impacted by the project. Further consultation with the Haisla Tribal Council is warranted, given the proximity of the proposed port to its traditional fishing and hunting grounds. In addition, the Hartley Bay Band Council and the Tsimshian Tribal Council expressed the need for meaningful consultation.

5.1.7 Impacts on Archaeological Resources

The archaeological overview assessment undertaken for this project indicates that while the proposed port facility is unlikely to impact archaeological sites, certain proposed ancillary activities (dredged material disposal) and related development (offsite infrastructure) may impact such resources. An archaeological impact assessment is required for the proposed ancillary activities and related developments.

5.1.8 Transportation System Impacts

Further information on the proposed road and rail access to the terminal is required to assess the overall environmental impact of the project.

The effect of the terminal on the North Coast transportation/logistics systems (specifically ship movements, and the diversion of cargoes between ports, rail lines, and trucks) requires further study. More consultation and information is required to assess the overall impact of the project on the transportation system and its related infrastructure.

5.2 Process Issues

Three other issues have been raised upon which the MPSC would like to comment.

The first issue is that of provincial funding for the project. This is a matter which is beyond the purview of the MPRP. Under the MPRP Guidelines, where government assistance has been requested by a proponent, the MPSC may request the Ministry of Development, Trade and Tourism to review the financial feasibility of the project. However, the purpose of such a review is to advise the MPSC on the capacity of the proponent to meet mitigation/compensation requirements. It is not intended that the MPRP should determine whether government assistance should or should not be provided.

Given the role of the Ministry of Development, Trade and Tourism in funding the studies undertaken by the proponent to date, the Ministry is of the view that the responsibility for reviewing the financial feasibility of this project should be deferred to another provincial agency, if and when such a review is requested. In this regard, the MPSC has been advised that a final decision on government funding for the Kitimat port project is not expected until the environmental and socio-economic impacts have been fully addressed.

The second issue is that of access to information, specifically the reports prepared by Sandwell on the Kitimat Port proposal. The MPSC requires that all proponents submit a prospectus which meets the requirements outlined in the MPRP Guidelines. The Kitimat-Terrace Port Society met these requirements through its submission of the two volume prospectus. While the MPSC does not require proponents to release background studies used to prepare a prospectus, the Kitimat-Terrace Port Society did agree to release the Sandwell reports after receiving numerous requests. Copies were placed for public viewing at the Kitimat, Prince Rupert, Terrace and Smithers public

libraries on March 30, 1991. Upon request, a copy of these reports were also sent to the Stewart Public Library on April 9, 1991.

The third issue deals with the chairing by the proponent of the public information meetings at the beginning of project reviews. The MPSC received several comments expressing concern about this practice. The MPSC is expecting a report from the provincial Ombudsman which may include recommendations regarding the conducting of these public information meetings, as well as other aspects of the review process.

The primary intent of the meetings is to provide the public with an overview of the proposed project and the review process. It is hoped that this overview will facilitate the submission of comments from the public. These meetings are not intended to provide a forum for debate over the merits of a project, and therefore the role of the chairperson at these meetings should be minimal.

5.3 Options Considered by the MPSC

The public and government agency responses to the Kitimat-Terrace Port Society Prospectus suggested three possible courses of action.

Option 1. Refer the project directly to an independent panel which would hold public hearings.

This option was supported by those provincial agencies expressing concerns about the project, and was consistent with public requests for further study of and input on this project.

Option 2. Reject the project.

This option reflects the views of the federal task force, the Prince Rupert Port Corporation, and other organizations and individuals. The basis for this option is that project justification has not been adequately demonstrated to warrant the resulting habitat loss and socio-economic impacts on Prince Rupert, and that the reliability of the proposed habitat compensation package is uncertain. Should the proponent want to further pursue the development of a port at the proposed site it would be required, under this option, to submit a new prospectus which adequately demonstrates project need, the lack of alternative sites, and the reliability of the habitat compensation proposal.

Option 3. Require the proponent to undertake further studies of alternative strategies and sites for port development.

This option represents a possible compromise between Options 1 and 2. It acknowledges that further study of alternative strategies and sites is required. Pending the outcome of such study, the project could then be referred to an independent panel for further review and public hearings.

It was the opinion of the MPSC that approval in principle was not an acceptable option at this stage.

5.4 MPSC RECOMMENDATION

The MPSC reached a consensus that Option 3 should be recommended. It was concluded that the chosen site with the proposed terminal configuration and habitat compensation package was unacceptable, and that the proponent should be requested, in consultation with federal and provincial environmental agencies, to undertake sequential studies which:

- identify and assess the environmental impacts and development costs (including off-site infrastructure) of other potential sites and strategies to accommodate potential cargo demand;
- identify possible modification to the terminal configuration which could make the currently chosen site more acceptable; and
- identify and delineate habitat compensation proposals which could successfully offset habitat losses.

The MPSC recommends that these studies be submitted to the MPSC as an addendum to the prospectus, and be reviewed in the same manner as the prospectus.

Following the identification of an acceptable site, terminal configuration and habitat compensation package, the MPSC recommends that the proponent be requested to prepare a Stage II report, which would contain a comprehensive socio-economic and environmental impact assessment. At this time, consideration should also be given to the establishment of a joint federal/provincial review panel to conduct an independent review of all the environmental and socio-economic impacts of the project. This would include the holding of public hearings.

5.5 PROVINCIAL GOVERNMENT DECISION

After reviewing the recommendation and findings of the Major Project Steering Committee (MPSC), the Provincial Government decision is that the Kitimat-Terrace Port Society's proposal should proceed directly to Stage II of the MPRP, and that an independent panel should be appointed to conduct a public review of the environmental and socio-economic impacts of the project. This review would include an assessment of alternative site and configuration options for the port proposal.

The proponent will be required to prepare and submit a Stage II report to the panel. Terms of Reference for this report will encompass those major outstanding issues identified in section 5.1.

The Provincial Government has requested that the Federal Government participate in the establishment and appointment of a joint MPRP/EARP review panel for this project. Terms of Reference for the independent panel, and its selection, are pending the outcome of discussions with the Federal Government.

APPENDIX 1

Kitimat-Terrace Port Society Public Notices

Lk District News
Mar 6/91

KITIMAT-TERRACE PORT SOCIETY

PROPOSED MARINE TERMINAL DEVELOPMENT

KITIMAT, BRITISH COLUMBIA

The Kitimat-Terrace Port Society's proposal for a public marine terminal at Kitimat is being reviewed under the Major Project Review Process (MPRP). A Prospectus document, which describes the project and its potential impacts, has been released for public review

The Prospectus is available for public review at the Kitimat, Terrace, Smithers and Prince Rupert public libraries, the District Office of the Ministry of Environment (104-3220 Eby Street, Terrace), the Kitimat Government Agent's Office (604 Mountainview Square, Kitimat) and the Vancouver Public Library.

Members of the public wishing to submit written comments on the Kitimat-Terrace Port Society's Prospectus are asked to do so by April 12, 1991.

Please forward your written comments to:

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5
Tel: 387-0244
Fax: 356-9275
356-8212

Kitimat-Terrace Port Society

c/o Mr. Jim Gustafson
Municipal Manager
District of Kitimat
270 City Centre
Kitimat, British Columbia
V8C 2H7
Tel: 632-2161
Fax: 632-4995

c/o Mr. Bob Hallsor
Clerk Administrator
City of Terrace
3215 Eby Street
Terrace, British Columbia
V8G 2X3
Tel: 635-6311
Fax: 638-4777

PUBLIC INFORMATION MEETING

Lk. Dist. News.
Burn Lk.
Mar 13/91

KITIMAT-TERRACE PORT SOCIETY
PROPOSED MARINE TERMINAL DEVELOPMENT
KITIMAT, BRITISH COLUMBIA

The Kitimat-Terrace Port Society is holding a public meeting in Kitimat at the River Lodge Community Centre, Activity Room, 654 Columbia on Monday, March 18 at 7:30 p.m. and in Terrace at the Inn of the West Hotel, Banquet Room, 4620 Lakelse Avenue on Tuesday, March 19 at 7:30 p.m. to provide general information on its proposal for a Marine Terminal Development at Kitimat. As this project is subject to the Provincial Major Project Review Process (MPRP), a representative from the Major Project Steering Committee will be present to explain how the public can participate in the review process.

In accordance with the MPRP, the Society has released a Prospectus document describing the project and its potential impacts. The Prospectus is available for public review at the Kitimat, Terrace, Smithers, Prince Rupert and Prince George public libraries, the office of the Ministry of Enviroment (104-3220 Eby Street, Terrace), and the Government Agent's office in Kitimat and Terrace.

Members of the public wishing to submit written comments on the Kitimat-Terrace Port Society's Prospectus are asked to do so by April 12,1991.

Please forward your written comments to:

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Kitimat-Terrace Port Society

c/o Mr. Jim Gustafson
Municipal Manager
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c/o Mr. Bob Hallsor
Clerk Administrator
City of Terrace
3215 Eby Street
Terrace, British Columbia
V8G 2X3
Tel: 635-6311
Fax: 638-4777

APPENDIX 2

Summary and Transcripts of Public Information Meetings

KITIMAT - TERRACE PORT SOCIETY
270 City Centre
Kitimat, British Columbia
Canada V8C 2H7

Phone: (604) 632-2181
Fax: (604) 632-4985

90/27

May 1st, 1991

FAX NUMBER: 356-9275

Mr. Derek Griffin,
Major Project Review Process Co-ordinator,
Regional Planning and Infrastructure Branch,
Ministry of Regional and Economic Development,
712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir:

Re: Kitimat Terminal Project

Further to your letter request, we now enclose our summary of the two public information meetings held at Kitimat and Terrace and have addressed the major issues raised at those meetings.

We trust you will find this satisfactory.

Yours truly,

KITIMAT-TERRACE PORT SOCIETY

Richard J. Wozney,
Chairman

Kitimat - Terrace Port Society Information Meetings - Summary

Public information meetings on the proposed Marine Terminal in Kitimat were held in Kitimat and Terrace on March 18, 1991 and March 19, 1991 respectively. Both meetings started at 7:30pm and approximately 100 people attended each meeting.

The public information meetings began with a presentation by Mr. Derek Griffin, Coordinator for the Major Project Review Process. Mr. Griffin provided the Kitimat and Terrace audiences with a detailed overview of the Major Project Review Process. Information packages pertaining to the MPRP were made available to all participants.

Kitimat - Terrace Port Society Chairman Rich Wozney followed Mr. Griffin by providing an overview of the proposed Marine Terminal Development. Mr. Wozney advised the gatherings of potential markets, and the proposed location of the terminal. Chairman Wozney also spoke of the past studies into a marine terminal in Kitimat. He advised that the proposal before the MPRP would see two deep sea berths developed in stages and further facilities for barges, pocket cruise ships and ferries. Access, dredging, existing shipping volumes and projected cargo forecasts were also described. Mr. Wozney told the meetings that of the 63 million dollar project cost, the proponent expects that 24 million dollars would be provided by the provincial government for development of infrastructure. An 18 to 24 month construction time frame was stated by Mr. Wozney, before the port could become fully operational. Mr. Wozney also suggested a large portion of the construction pool would be hired locally. The information meetings in both communities were told that estimates for phase one port operations are 20 full time jobs and the equivalent of 65 full time jobs for cargo handling and ship loading labour. The long term objective according to Mr. Wozney would see approximately 200 jobs generated after the completion of phase two. Although stating there would be a job shift from Prince Rupert to Kitimat, Mr. Wozney said it was felt there would be more than enough cargo for Kitimat and Prince Rupert's Marine Terminal operations.

After the presentations by Mr. Griffin and Mr. Wozney, the meetings were opened to a question and answer period. A number of issues were addressed during both sessions. Specific questions and responses may be found in the individual meeting summaries provided at an earlier date to the Major Project Review Process.

Infrastructure:

A number of questions arose with respect to the infrastructure of the terminal facility. Many dealt with CN rail and the stated need to upgrade the line between Terrace and Kitimat. Initial discussions have been held with CN Rail with respect to upgrading the line. CN's current schedule would see reconstruction completed in the year 2000. After discussions with CN executives, it is hoped that timetable can be moved up to coincide with the construction of the terminal facility.

Some 16 trestles and bridges have to be shored up to handle mainline cargoes. Currently the rated capacity on the CN line to Kitimat is 220,000 pounds and will be increased to the mainline standard of 260,000 pounds upon completion of CN reconstruction. In order to handle projected lumber cargoes it would not be necessary to upgrade the bridges or trestles.

CN Rail will be responsible for the cost of the line upgrade between Terrace and Kitimat. The cost of the portion of track from the Ocelot junction to the marine terminal would be the responsibility of the provincial government.

Snow clearing capabilities were questioned during the Kitimat information meeting. Snow clearing of port facilities has been successfully taking place in Kitimat for 37 years at private terminals. This is not expected to be an issue should the development of the Marine Terminal proceed.

Water and sewage facilities for potential cruise ships were questioned in terms of ship discharge. At this point, the proposal deals only with the disposal of water and sewage generated from the terminal facility itself. The cruise ships expected at the Kitimat Port are small vessels and separate facilities for water and sewage treatment facilities are not contemplated as necessary.

Road Access to the terminal site was discussed at the Terrace meeting. A suggestion for running rights on the existing Eurocan haul road has been dealt with through preliminary discussions with that company. The proposal however, envisions "public" access to the water front and will require a road open to the public. The access road leading to the terminal gate will be the responsibility of the Ministry of Transportation and Highways. Preliminary planning of the access road has now been completed. Some sharing of the Eurocan's road is expected, however its extent will be limited to the area closest to Eurocan's existing terminal. The proposal anticipates building a road which would run from the Ocelot site to the marine terminal. Preliminary discussions have been held with Ocelot and with Alcan, a major land holder in the area.

As stated during the public information meetings, dredging for the terminal facility would take place in an environmentally sound window and would commence in October or November. No applications for dredging approval permits have been submitted to the applicable agencies.

Market:

Questions regarding the identification of markets for the Kitimat Marine Terminal have been answered in the Price Waterhouse studies. In the view of the Kitimat - Terrace Port Society, the issue is not a question of market but a question of the location of further port development on the north coast.

Environment:

A question with respect to the testing of organic compounds was answered with reference to page 32 of the prospectus which states that all the samples were found to be within the guidelines for ocean dumping.

The creation of an inter-tidal marsh area was also subject of some discussion. Environmental Consultant Norecol is proposing environmental mitigation through the development of an 16 hectare inter-tidal marsh on the west side of Minette Bay. The area would see the planting of marsh grasses and the creation of new habitat for fisheries and wild fowl. A log dump, located near the area is not expected to create problems based on the location of the new inter-tidal marsh area.

Port Authority:

A question with respect to the development of a Port Authority through pending provincial legislation was raised. It is envisioned the Port Authority would have developmental control over industrial lands adjacent to the marine terminal and air terminal (Terrace - Kitimat airport) and include some fore shore lands along the Douglas Channel. In terms of the Terrace - Kitimat corridor, a number of years ago the Regional District mapped out potential industrial development sites.

Study/Availability:

A number of questions arose regarding the Kitimat-Terrace Port Society's decision not to release detailed economic and financial information. The information was deemed confidential by the Society. Questions included the projected net economic benefit to the region, potential markets and revenue generation. After consideration of the topic, the Port Society announced the release of the information on March 28th. The studies were subsequently made available in public libraries in Kitimat, Terrace, Prince Rupert and Smithers. In making the announcement, Society Chairman Rick Vozney stated the Society felt the public's interest in the information overrode the commercial interests of the developer.

Redundancy:

Several questions arose regarding the need for a Marine Terminal at Kitimat when a port facility in Prince Rupert already in operation is under utilised at this time. In general, the proponent views redundancy as a benefit to shippers and transporters. A second port will provide competition and may result in more competitive rates. A second port in the northwest will also provide a second option for shippers should one port not be in operation for any number of reasons. Plans for the future expansion of the Port of Prince Rupert were also discussed. Suggestions were made that such expansion should be taking place in Kitimat rather than in Prince Rupert. The recent expiration of a 15 year moratorium providing Prince Rupert with exclusive port development rights on the northcoast was used to illustrate the view that it is now Kitimat's turn for port

page 4

Need for port by Kitimat:

Several members of the audience stated Kitimat's need for a port development. It was felt the community has been waiting for a number of years for such a development and has seen a number of studies which stated the viability of a Kitimat Port. There were also a number of statements indicating future development in the region is dependent upon Kitimat Port facility. During the Kitimat meeting, a representative of Curragh Resources advised his company might be a potential user of the Kitimat Port. He spoke of the Vancouver Port being extremely congested and that a small advantage existed in having a port in Kitimat due to shipping distances. The spokesman said his company was interested in competition with respect to port facilities.

After the question and answer periods concluded, Society Chairman Rick Wozney reminded the audiences of the deadline of April 12th for the public's written submissions to the MPRP. The Kitimat meeting was adjourned at 9:10pm and the Terrace meeting was adjourned at 9:40pm.

MINUTES OF THE KITIMAT-TERRACE PORT SOCIETY
PUBLIC INFORMATION MEETING, HELD AT RIVERLODGE,
KITIMAT, B.C., ON MONDAY, MARCH 18, 1991,
AT 7:30 P.M.

Members Present: Mayor Richard Wozney, Kitimat
Mrs. Kathy Spanevello, Kitimat
Mayor Jack Talstra, Terrace
Mr. Eric Sykes, Kitimat

Mayor Wozney chaired the meeting.

Mayor Wozney advised those present that the Kitimat-Terrace Port Society had been established to act as a proponent to develop a public marine terminal in Kitimat. The Kitimat-Terrace Port Society have submitted a Prospectus to the Major Project Steering Committee for public and government review.

Mayor Wozney then introduced Mr. Derek Griffin, Coordinator, Major Project Review Process, who would outline the process of the Major Project Review Process.

Mr. Griffin outlined the objectives of the Major Project Review Process; those being, the environmental and socio-economic impacts of the project, to provide a single pointed contact with government, implementation of management plans, community concerns, and to involve the public by disseminating information.

Mr. Griffin stated that the Major Project Review Process applies to the construction or expansion of production facilities within a number of industries, pulp and paper, mineral smelting and refining, chemical production, and major ports and marinas. He advised that other review processes are undertaken simultaneously with the Major Project Review Process.

The Major Project Review Process is a non-legislated working policy supported by the Environment and Land Use Act. The Major Project Review Process is administered by the Major Project Steering Committee and co-chaired by the Ministry of Regional and Economic Development and the Ministry of Environment.

Future steps to be taken in the review process will be to receive written comments from the public, determine whether the project will be given approval in principle or if the project will be rejected and whether further studies are required. If approval in principle is given, input from regulatory bodies will be requested. There are two paths the Major Project Review Process can take, Stage 1 and Stage 2. Stage 1 would have less public involvement than Stage 2. Stage 2 involves input from the public in the form of public hearings.

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If approval in principle is given, all potential socio-economic impacts have been identified and all implications can be managed by effective and affordable means. Approval in principle is valid for five years. Approval in principle must be granted before any provincial permits or licences can be issued.

The objective now is to receive written reports, respond to public concerns, and the proponent to hold public information meetings on the Prospectus. After all submissions have been received, the Regulatory Bodies and the Steering Committee come together to study all information received. A decision is usually made between six to eight weeks whether the project will be approved in principle, in the case of the proposed port, early May.

Overview - Mayor Wozney

Mayor Wozney stated that the Kitimat Marine Terminal Development includes construction and operation of a multi-purpose marine terminal.

The terminal will handle pulp from planned and existing mills in Northern B.C. and Alberta, raw materials, products and byproducts from a proposed copper smelter or equivalent industrial development in the Kitimat-Terrace corridor, lumber from mills in the North-West, and general and containerized cargo.

The project is proposed as a two-stage terminal. It was further stated that it is necessary to have the proponent to take the proposal to the government.

The proposed location of the terminal, is east of the present Eurocan Dock, sometimes called Harbour East.

There are presently three privately owned berths now in Kitimat, Alcan, Ocelot and Eurocan. The proposed development would be similar to Eurocan.

Over the years, many studies have been undertaken. The present port study was initiated in June 1990. Sandwell Inc. carried out feasibility and economic studies. Alternate sites were looked at for the proposed development.

Mayor Wozney advised that the terminal will have two deepsea berths, and further facilities for barges, pocket cruise ships and ferries, and 15 hectares of land for cargo storage and handling. The land will be reclaimed using material dredged to create a navigation channel.

...../3

Access will be gained via road (Harbour Road), and rail (extension of C.N.R.).

Dredging is required to create a navigation channel and will be used to create fill.

Initially, the port is proposed to be a general cargo facility shipping primarily lumber and pulp.

Shipping volumes of deepsea cargo have been forecasted at 379,00 tonnes in 1994 to 1,269,000 tonnes in 2015. At present 220 ships per year come into the Kitimat area and it is proposed that a new terminal will bring in the neighbourhood of 30 to 60 additional ships per year.

The facility will be serviced through road via Highway 37.

Site testing was carried out and there will be some implications on fisheries as well as wild foul.

The total project is proposed to utilize 15 hectares of land. It is proposed that 18.1 hectares of new intertidal marsh be constructed west of Minette Bay. Excavated material will be used to create an area of high land which could be developed in the future as a viewpoint, picnic area or campsite with a view of the marsh and Minette Bay.

Mayor Wozney advised that there would be no net loss of the fish habitat.

The proposed development site is presently owned by the Ministry of Crown Lands, Alcan, and Eurocan.

The project is estimated at 63 million dollars. Of the 63 million dollars, 24 million dollars would be provided by the B.C. Provincial Government for infrastructure development.

Construction is estimated at 18 to 24 months to be fully operational.

Ocean dredging would only be able to take place from November to February due to restrictions from the Department of Fisheries and Oceans.

It is assumed that a good portion of the construction labour would be hired locally.

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It is estimated that initial port operations will generate 20 jobs for full time staff, and the equivalent of 65 full time jobs for cargo handling and shiploading labour. A long term objective of having two berths would generate 200 jobs.

Mayor Wozney stated that there would be a job shift where Prince Rupert will lose workers to Kitimat.

It is felt that there will be more than enough cargo for Kitimat and Prince Rupert.

Mayor Wozney outlined the benefits of the project, those being:

1. Kitimat is able to handle the extra people that will be generated by the project.

2. Reduced transportation costs for sawmills and other exporters and importers in the North West region, who presently ship through Prince Rupert or Vancouver.

3. The new terminal at Kitimat should result in more competion between road and rail transportation, and should result in greater efficiency for both modes.

4. The Kitimat terminal will provide redundancy of port services in the North West. If the operation of one port is disrupted for some reason, the other will be able to handle some of the affected cargo.

5. Increased competition between Kitimat and Prince Rupert should result in savings to users of both ports.

6. In the future a ferry may perhaps come into the Kitimat Port, encourage more tourism in the area.

Question and Answer Period

1. a. Mr. Brian Denton, Canadian Stevedoring, Prince Rupert, enquired as to whether an analysis of total transportation costs to market had been done, including snow removal, operational costs.

   Mayor Wozney advised Mr. Denton that costs had been analyzed from the port to the ship.

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b. Mr. Denton enquired as to what was meant by "provide redundancy of port services in the North West".

Mayor Wozney advised that there would be an alternate shipping point for shippers and an alternate road when the Prince Rupert Highway is not accessible.

c. Mr. Denton asked at what point would a terminal operator be found.

Mayor Wozney advised that this would be simultaneously.

d. Mr. Denton enquired as to the amount of snow that Kitimat receives.

Mayor Wozney advised that transit sheds would be made available and that snow removal would take place.

Mr. Eric Sykes advised that commercial ports had been operating for 37 years and have been quite successful.

e. Mr. Denton questioned the operational employment numbers.

Mayor Wozney advised that out of the numbers used, several of these could be part-time positions.

f. Mr. Denton enquired as to where a good supply of labour would come from.

Mayor Wozney advised that persons wanting to work at the Kitimat Port may have to be trained and that Northwest Community College may have students that may wish to work at the Kitimat Port.

2. Mr. Paul Dostalek advised that snow would not be a problem if the port was to go through.

With reference to the labour pool, the Port of Stewart advertises for their labour pool. There are a number of construction workers in Terrace that are only working part-time.

Mr. Dostalek suggested that Prince Rupert co-operate with Kitimat on this project, rather than competing . He enquired whether any communication had taken place with Prince Rupert to avoid problems and come to some sort of co-operative venture.

...../6

Mayor Wozney advised that to date, Prince Rupert is not interested in trying to co-operate.

Mayor Talstra advised the the Prince Rupert Port Authority met in Terrace for the first time ever tonight and that perhaps this was a sign of exchanging information from community to community and that hopefully we can see co-operation rather than competition.

3. Mr. Tom Ireland, City of Prince Rupert, representing Mayor Peter Lester, read out a letter prepared by Mayor Lester. Mayor Lester enquired as to whether the government would make the full consultant's report public and whether or not approval has been given to carry out dredging this year.

   Mayor Wozney advised that the consultant's report was owned by the Society and that approvals have not been received for dredging to take place this year but were hoping to get to this point.

4. Alderman Goyert of Kitimat, expressed his desire to have Prince Rupert come on side with Kitimat to develop the North West.

5. Mr. Ralph Sultan of Curragh Resources, advised the Committee that the company which he represents may be a possible user of the port. Mr. Sultan advised that Vancouver Port is extremely congested and that a second facility is required. He advised that there is a small advantage to have a port in Kitimat due to the shipping distances. Mr. Sultan advised that Curragh Resources are interested in more competition with respect to port facilities. Mr. Sultan extended best wishes to the Kitimat-Terrace Port Society.

6. Mr. Bob Ivison, advised those present that many people that used to work for the Labour Pool in Kitimat, left town because of no jobs. Mr. Ivison feels that a port in Kitimat would be a cornerstone to the community which would provide public access. He feels that there is room in the north for both Kitimat and Prince Rupert.

   Mr. Ivison enquired as to whether or not further port facilities would be required if a copper smelter was to open in Kitimat.

   Mayor Wozney advised that they are hopeful that the new port would be sufficient.

...../7

7. Mrs. Marjory Fowle, expressed her opposition to any further studies being undertaken. She feels that Prince Rupert and the Federal Government have always been the cause of Kitimat not getting a port. She further stated that Kitimat needs a port and deserve a port and urges members of the Society to become aware of past practices when dealing with a proposed port. Mrs. Fowle advised the Society to make concrete decisions and not to let anyone stop them. She wished the Society the best of luck with the proposal.

8. Mr. Dave Serry of 13 - 1425 Nalabila Boulevard, advised that Kitimat was behind Prince Rupert when they were proposing their terminal. He feels that the Federal Government takes money from Kitimat every year and that it is common sense for Kitimat to have a port.

9. Mr. Carl Whicher, enquired as to proposals for possible further development in Minette Bay.

   Mayor Wozney advised that the area on the west shore of Minette Bay will be re-zoned environmentally sensitive. He further advised that areas have been identified for secondary industry if the port was to go ahead.

10. Mr. Paul Dostalek, advised that it is impossible for a secondary industry to come to Kitimat at this time as they can not ship if they are not Alcan, Eurocan, or Ocelot. He advised that he knew of at least two companies that would like to transport out of Kitimat. Further, he stated that CN Rail transportation costs were extremely high.

    Mayor Wozney advised that a written commitment had been received to upgrade the Kitimat-Terrace rail line and that if a terminal were in place, they may upgrade sooner.

11. Mrs. Marjory Fowle, enquired as to whether CN and Ridley Island were owned by the Federal Government.

    Mayor Wozney advised that these terminals were owned by the Federal Government.

...../8

12. Mr. Dave Serry, enquired as to whether the drawings were conceptual drawings or final drawings.

    Mayor Wozney advised that the drawings were final but that few minor changes would be made.

13. Mr. Barry Bryce, Longshoreman, Prince Rupert, enquired about registration and manning of vessels which would use the Kitimat Port.

14. Janice McLean, advised the Society that she was overwhelmed by the animosity between Kitimat and Prince Rupert and encouraged the two communities to work hand and hand with the project and make an investment in the north.

15. Mr. Paul Dostalek, advised that he felt Kitimat did not begrudge Prince Rupert for their success and that the Kitimat Port would not take away from Prince Rupert. He further advised that this was a good opportunity to divert southern cargoes north.

Mayor Wozney stated that Kitimat does not begrudge Prince Rupert for their success. He extended an invitation to Prince Rupert Mayor and Council, and the Prince Rupert Port Authority, to work closer together with Kitimat.

Mayor Wozney thanked those people who made a presentation and stated that the Society appreciates the support of the community.

Mayor Wozney reminded those present of the meeting in Terrace on March 19, 1991 and that the Chamber of Commerce would be taking a bus from Kitimat to Terrace. The bus will be leaving at 6:30 P.M. from City Centre at a cost of $10.00 round trip.

Mayor Wozney reminded those present that the deadline for written submissions was April 12, 1991, and that they are to be addressed to Mr. Derek Griffin, or dropped off at either Terrace or Kitimat City Hall.

There being no further business, the meeting adjourned at 9:10 P.M.

KITIMAT-TERRACE PORT PROJECT ASSOCIATION

INFORMATION MEETING HELD IN TERRACE

TUESDAY, MARCH 19TH, 1991, AT 7:30 P.M.

IN THE INN OF THE WEST BANQUET ROOM

Rick Wozney, Chairman of the Kitimat-Terrace Port Society chaired the meeting.

The meeting room was designated as "No Smoking" prior to beginning the meeting.

The public was welcomed to this informational meeting sponsored by the recently incorporated Kitimat-Terrace Port Society regarding the proposed marine terminal development at Kitimat.

The purpose of the meeting is to explain the marine terminal proposal. Our meeting is not intended to be a public hearing, rather it will be an informational session.

The Terrace-Kitimat Port Society was recently incorporated and consists of the following directors: Mr. Eric Sykes, Alcan's Works Manager; Mayor Jack Talstra, City of Terrace; Cathy Spanevello of Kitimat; Kitselas Chief Counsellor, Mel Bevan; and Rick Wozney, Chairman of the Kitimat-Terrace Port Society.

CHAIRMAN WOZNEY:

Our mandate in this project is to act as a proponent to the Kitimat marine terminal and to eventually obtain all the necessary permitting approvals which will allow the development and construction of the terminal in Kitimat. We will hear from Mr. Derek Griffin of the Ministry of Regional and Economic Development and he is a major project review process co-ordinator for this project. He will guide us through the major project review process and it will probably be referred to as the MPRP rather than going through the name each time. The process is intended to address all major concerns - environmental, engineering and socio-economic concerns. After Mr. Griffin's presentation, then I will go over the proposal as outlined in the prospectus, copies of which have been available in the local libraries in the communities in the northwest. After my presentation, we will have a question and answer session where we hope to answer your concerns. If we are, however, unable to answer them this evening, we will be glad to take your name and address so that we can get back to you with the information.

Mr. Griffin was then called upon.

Mr. Griffin started with describing the Major Project Review Process and then concluded with a few comments in terms of exactly how the Terrace-Kitimat Port Society's project fits into the review process.

Right now, in terms of the Kitimat port project, it is at the prospectus stage of the review process. When the review of the prospectus documents is completed, the decision will be made regarding the project. It will be either given approval in principle or will require further study - Stage 1 or Stage 2 Report, or the project could be rejected.

If the project is given approval in principle, the project will then proceed directly to regulatory agencies for permitting and licensing. If the series of meetings determines that there are certain aspects of the project that require further study, then either a Stage 1 or Stage 2 report will be requested. The Stage 1 report will be requested if the nature of the concerns are primarily technical matter. If there was considerable public concern over some aspect then it is possible that the decision could be made to proceed directly to Stage 2. The Stage 2 process includes more extensive involvement than the Stage 1.

Approval in principle - explain what is meant - all potential socio-economic and environmental impacts have been identified and have all the impacts can be managed.
Once approval in principle has been granted the proponent could then proceed to acquire the provincial permits, licensing and other approvals the project requires. Approval in principle can be granted at the end of the prospectus stage or at Stage 1 or Stage 2.

The other review processes in the province of B. C. -

MDRP - Mine Development Review Process
EPRP - Energy Project Review Process
EARP - Environmental Assessment Review Process

The essence of the MPRP and all the other major processes work on a coordinated basis. If a project is subject to more than one review process the attempt is to design the review of that particular project so that the propopent and the public will only see one review process even though all the items of concern are being taken into consideration simultaneously.

Our prospectus, document review, is similar to the screening that takes place under the federal environmental assessment and review process. Our stage 1 and stage 2 reports are in many respects similar to the initial assessment that is required. Stage 2, which can involve public hearings, makes it the same as the public hearing aspect of the federal review process.

Public involvement - MPRP - we are interested in comments and the views of the public in all projects that come before us. Proponents are requested to make reports widely available and hold public information meetings such as this one we're at tonight.

At the same time as the public is providing it's comments to the Major Project Steering Committee, various technical agencies, from the provincial and federal side are also reviewing the documents, and they will also be providing us with their agency comments. We expect to receive all these comments, and the publics' comments in the middle of April. We will then be returning agency comments and distributing the public comments to various agencies and the proponent.

We expect we will be in a position to announce the decision on this project as to whether or not at the prospectus level it can be given approval in principle subject to certain conditions, or whether or not further study is required, and what kind of further study will be required, towards the end of May.

(end of his report)

Kitimat-Terrace Port Society Chairman, **RICK WOZNEY** then took the floor.

The Kitimat marine terminal proposal is for the construction and operation of a public multi-purpose marine terminal. It will handle bulk products - forest products, mineral concentrates and will be a general cargo dock. It will also have roll on roll off facilities able to handle coastal barges as well as ferries. And, as Mr. Griffin has pointed out, the Kitimat-Terrace Port Society is in fact the proponent to put forward the prospectus before the Major Project Review Steering Committee and the process that's involved. The Port Society was recently incorporated. Most of the members of the current society were members of the port committee which was instituted back in June 1990 and the objectives are to promote, foster, encourage, and development of, amongst other things, the Kitimat marine terminal.

The port itself is located within the District of Kitimat boundaries and it's approximately 10 Kilometres from the downtown area. It's within the existing harbour area and if you look at the large photograph, you can see the locations of the various terminals that we have currently. Alcan's, Ocelot's, Eurocan's and the proposed Kitimat terminal were pointed out on the map.

The existing docks in Kitimat are private docks. They are run by the companies that own them - Alcan, Eurocan and Ocelot. As mentioned earlier, the purpose of the Kitimat marine terminal is to create a public facility.

History - studies have been conducted over 20 years . The most recent studies were done by city of Kitimat, Alcan and the Coast Guard, in 1988/89. The purpose was to try to determine a marketing and feasibility study. There was a conceptual plan done by CMA Enterprises International (Mr. Captain Bob Ketching). The provincial studies began in June of 1990. Through a tendering process, Sandwell Engineering was contracted to do the studies. The feasibility and marketing studies were done by Price Waterhouse. The engineering was done by Sandwell.

The environmental studies were done by Norecol Environmental Consultants and Golder did some geotechnical work in the Delta. Alternate sites were evaluated. There was one site that was looked at, south of Alcan (shown on map). It was rejected on the basis of being too costly to develop. Relying on information we received from the Department of Fisheries and Oceans when Kitimat did a study in 1988/89, we settled on harbour east, which is the proposed site. That was determined to be the most favourable site for a marine terminal development in Kitimat.

The project itself will consist of a two berth terminal. The areas for the Stage 1 berth and the Stage 2 berth were then shown on the map.
On one side of the navigational channel, which is in the middle, there is a provision for barges, cruise crew ships and ferries. The location of an office and maintenance shop, transit shed, and dock 1 and dock 2 were pointed out on the map.

The project would be a staged facility - 2 docks would not be built to begin with - only one. As the conditions improve, and as more cargo is moved over the dock, that would indicate the necessity to add a second dock. If you're familiar with the area in Kitimat between Alcan and Ocelot, there is a lot of backup land there which could service the terminal site itself. As far as the products to be shipped are concerned, as mentioned earlier, general cargo, initially lumber, perhaps pulp, mineral concentrates, and it would also service a ferry and barge service as well.

The traffic forecasts, as indicated in the prospectus, initially some 300 thousand tonnes of lumber and other wood products would be diverted from Prince Rupert to Kitimat. There would also be some other 80,000 tonnes diverted from the lower mainland ports. The Price-Waterhouse study indicates that by 2012, Kitimat's terminal could be handling some 1.2 million tonnes of product. As far as the shipping traffic is concerned, currently there are some 220 ships per year that enter Kitimat harbour and go to Alcan, Eurocan, and Ocelot. Alcan has been in the shipping business since the early 1950's, Eurocan since the early 1970's and Ocelot since the early 80's. With the Kitimat terminal there would be approximately 30 ships initially to 70 ships per year after the stage 2 berth is in place. So we're still between 200 and 300 ships per year coming into Kitimat.

As far as the transportation system is concerned, mile 0 of Highway 37 begins at Tidewater in Kitimat. There will be a 4 kilometre road called Harbour Road which will run from Tidewater to approximately where the intersection is with Ocelot and the terminal will also be served by C.N. Rail from Terrace. The C.N. Rail between Kitimat and Terrace will be upgraded by C.N. There are some 16 trestles and bridges which have to be shored up in order to handle mainline cargoes. Currently Kitimat's rated capacity on the C.N. line is a 220,000 pound limit, and will be beefed up to about 260,000 pounds, which is the mainline standard. In order to handle lumber cargoes at this time, it would not be necessary to upgrade the bridges and trestles. However, from Kitimat's point of view, in the future it will be necessary to upgrade the line, not only to service the terminal, but also to service Ocelot currently.

The site creation: the navigation channel will be dredged. Probably both stages or both berths, or at least the whole navigational channel would be done at one stage rather than dredging and coming back and dredging again in a number of years. The dredged material that would be excavated from the navigational channel will be used to create the land on which the terminal will sit, and will also create the causeway which will connect up with the Eurocan causeway.

As far as the environmental considerations, site testing was done by Norecol in the harbour area. The environmental studies indicate that there will be an impact on the fisheries as well the wild fowl in the area, and there has been proposed compensation mitigation.

(Again, the terminal site was shown on the map. The proposed compensation mitigation area was shown.) Apart from some farming, the area is virtually untouched. It is partly tidal currently, and the proposal would be to create approximately 18 Hectares of inter-tidal wash. What that would mean is that about 2 - 3 metres of material will have to be dug out of there and the area then planted with graze grasses in order to create the inter-tidal marsh. The material that is excavated will then be used to create a recreation area - walkways, perhaps some picnic tables, a park area. Again, the concern is to ensure that there is no net loss as far as the Department of Fisheries and Oceans is concerned. The environmental consultants, Norecol, believe that the proposal is certainly a very good one in order to mitigate the loss of the fisheries habitat in the immediate terminal area. Again, as mentioned earlier, the site was recommended by Department of Fisheries and Oceans when Kitimat did a study back in 1988/89. The landowners involved are the Ministry of Crown Lands. Once the dredged material creates a landfill, there will have to be a crown water lot lease from Crown Lands. And there are also two private owners - Alcan is the major owner, and Eurocan, which is using part of their causeway to obtain access. Discussions have taken place with the current owners and there is no objection to the proposal.

As far as the project cost is concerned, I would like to clarify a couple of things. The total projected cost of the project is some 63 million dollars, but it is not 63 million dollars of taxpayer dollars. It is proposed that approximately 23 million dollars would come from the B.C. government, and that would be to create the infrastructure required to dredge the navigational channel, to create the land fill, to install the slope protection so that it doesn't all wash away, to create the causeway, the connecting road and rail facilities. That will amount to some 23 million dollars. Everything else in the terminal area would be built by a terminal operator. The proposal would be that once the infrastructure is in place that land mass would be leased to a terminal operator.
It would then be up to the terminal operator to install all the berths, the transit shed, etc., and to provide their own equipment.

In addition, and separate from the work proposal is a hard road access, and that would run from approximately where the intersection is with Ocelot down to Tidewater. That would not only provide access by road to the terminal site itself, but will also provide access to Eurocan which currently has no public access to it's terminal site, and also public access to Ocelot's finger wharf.

As far as the timing is concerned, the project will take some 18 - 24 months to complete to make it into a one berth facility. The ocean dredging is only permitted by the Department of Fisheries and Oceans between November and February of each year. There would not be any dredging done outside that window.

As far as construction labour is concerned, to build a 2 berth facility, it is projected there would be some 144 man years of construction labour. Most of that labour force would hopefully come from the Kitimat, Terrace, and Prince Rupert.

Initial port operations will generate 20 jobs for full time staff, and the equivalent of 65 full time jobs for cargo handling and shiploading labour.
There will be a shift of employment, approximately 40 jobs, from prince Rupert to Kitimat. In the long term, projections show there will be more than enough product to be shipped through Prince Rupert and Kitimat.

Prince Rupert has 3 sites: 1 on Ridley Island and 2 berths at the old grain elevator and Fairview. They have those berths, Kitimat has none. Prince Rupert says they would like to build another facility at Fairview and plans to build two more there. There will be more than enough cargo to go around.

The question or issue is not is there enough capacity, the issue is where the next one should be built.

In Kitimat, there will be no burden to handle increased population and no further infrastructure required. Kitimat had a population of 15,000 and is now down to 12,000. It is expected that a number of people who would be employed would come from the Terrace-Thornhill area.

Benefits would be reduced transportation costs for the shippers who will have a chance. There will be some competition between the ports and C.N.R., and road shippers as well. The terminal is the key to any future industrial development in Kitimat. Industrial development and shippers need the ability to use a public terminal rather than use a private terminal. Crew ships and ferries will come in as well.

QUESTIONS AND ANSWERS

Speakers were asked to identify themselves prior to speaking. A speaking area was set up in the middle of the floor.

1) GLEN GRIEVE - TERRACE

Q. There were a number of things that puzzled me. Is the port in Prince Rupert now operating at a maximum capacity?

A. No.

Q. Is the C.N.R. line operating at it's maximum capacity?

A. I have no idea.

Q. Will I have the opportunity to speak again later when I am not as nervous?

A. Yes.

2) LES WATMOUGH - TERRACE

Q. At the bottom of page 3 of the executive summary, it says the income for the Terrace Kitimat area will be in the order of 2 million dollars. The question is - what happens to the other 38 million? If the project is at 40 million, and 2 million will accrue to the area, who gets the other 38 million?

A. In the first stage it s going to be 40 million dollars. The government would put in 24 million - costs for the navigational channel, landfill, causeway, road and railway.

Q. Who will you contract it out to?

A. We are not at that stage yet. We need permit approvals first. Mr. Griffin explained what the approval process is all about.

Q. The cost of the study was $400,000. I understand the complete study done by Sandwell is not available for public review. When and where will it be available for public review?

A. The studies were done in two stages. The total cost was $400,000. Price Waterhouse people did the study. That information will not become public for reasons of confidentiality.

Q. The proponent is usually considered to be the builder, the financier, the person behind the project. You have explained that your committee will not be doing the work on the project.

A. In this case, because the project was originally started as a government initiative, the government could not carry on with it's own project. So, then the port society was formed in order to become the proponent of the project. If we get beyond the approval stage, perhaps the society will then be in a better position to be able to call for tenders. The society itself will not be the builder of the terminal.

Q. There is no financial data on any of this. There is no indication of where your money to run the terminal will come from. We have nothing before use that gives us a costing of your charges.

A. Right, and again that is confidential information. You can't go to any port, whether it is in this area or on the mainland, and say - we want you to tell us exactly what you're charging your customers.

Q. Well, I think the customers would sure want to know.

A. Once you have a terminal, that's something that would be between the terminal operator and the shipper, obviously.

Q. How can you determine a customer if you haven't a price to give the customer ?

A. That's what I'm telling you. The terminal operator will then give the price to the customer. You're way ahead of where we are on this process.

Q. You have no confirmed customers whatever?

A. That is correct. When Kitimat did it's study in 88/89, we as a community, called for expressions of interest in the proposal at that time and we have more than 20 people who have responded. That then narrows down to about 3 or 4 parties that are still interested in operating a terminal in Kitimat.

Q. When I saw the first pictures that you have there, I was quite surprised at the size of the project. I expected the development would be maybe triple that size. Your committee has a lot of work to do. First thing the committee could have done, or could do is negotiate with Alcan for running rights, negotiate with Eurocan for running rights. Also you could negotiate with Alcan for the properties south of Alcan's wharf.

A. I think I have already indicated that we have had discussions with the landowners and they have not objected to it.

Q. I thought you said Alcan told you to go look elsewhere.

A. We never said that at all. I don't know where you heard that from. I can ask Mr. Sykes, Alcan's Works Manager - he can give you a more detailed answer than I can. We should try not to put words in each other's mouths.

A. The area that was considered for other terminal sites was, again, shown on the map. The areas and land owned by Alcan, Eurocan, Ocelot and the District of Kitimat were again shown on the map.

Q. The point is, has this committee negotiated seriously with Alcan? You have a problem with water access and your committee and the port authority later on will be really seriously negotiating and dealing with the owners of the existing water properties.

A. Are you suggesting that the terminal site should be bigger or more standard? What are you alluding to?

Q. I'm alluding to the fact that your proposal seriously limits your future expansion.

A. I think I already touched on that earlier. The Dept. of Fisheries and Oceans has indicated that will be an approximate location for a terminal at Kitimat, and I don't think they'd be too interested in any further expansion.

Q. You should negotiate with Alcan for running rights on their track. You can save probably in the neighbourhood of 1.5 million dollars.

A. No it doesn't. The Alcan track goes to Alcan, it doesn't go to the terminal site.

Q. You could negotiate with them for running rights, at least part way down.

A. That is the proposal, Mr. Watmough.

Q. You cross Anderson Creek and you cross Moore Creek. Why don't you use Alcan's across the Anderson Creek, switch over and eliminate 1.5 million dollars?

A. Point well taken.

Q. I would like this noted and discussed amongst yourselves. You have a problem with rail access as a whole. You have the line from here to Kitimat - there is a grade that goes up by the airport which, particularly in the winter, goes down to 30 and 35 car trains. You've got problems there that aren't addressed. Along with the rail you have a serious problem with switching yards on your wharf. They shouldn't be on the wharf at all. They should be on backup lands or somewhere else. You'll loose 40% of your time switching trains.

A. Initially one of the proposals was to construct, in this configuration here (shown on map), to put it adjacent to Eurocan's terminal. There are 2 reasons why it did not meet the test. Eurcan's terminal currently has sunk some 3-5 feet and the engineers said that if you try and create a land mass against the Eurocan property you would cause further settlement problems for the Eurocan sheds there. The second reason was that it would then preclude Eurocan from putting a berth on the east side of their terminal. That is one of the reasons the proposal is as it is. The other one that was looked at was a pier type of construction which would have had 2 berths and the dock in between, but for a multi purpose terminal, the engineers at Sandwell indicated to us that the construction design, (on the chart there) is the best design as opposed to a finger type pier which is more for dedicated cargoes.

Q. I would agree with that if you had lots of future expansion, but you don't, so I leave that.

Q. Road access on the Eurocan road needs to be negotiated. I think you could save more money there by getting running rights on that road.

A. The road doesn't go to the proposed terminal site. What we're trying to achieve is a public road that will run from Ocelot down to Tidewater, and there will be some sharing of the road with Eurocan as you get closer to Eurocan's terminal.

Q. Cruise ships were identified in the report. There will only be sewage facilities and water facilities for staff on the dock. What are you going to do with a cruise ship?

A. The cruise ships that we're looking at are smaller cruise ships. They are similar to small ferries; they can carry people as well as cars. Initially the proposal is just simply provide septic tank systems at the terminal and not sewage facilities to

discharge.

Q. I think you should ask your consultants to address that. Any kind of cruise ships with the public deserve some treatment.

Q. Your group will, I understand, at some time be changed through legislation to a Port Authority. It is also my understanding that Port Authority will have authority for shore lands plus jurisdiction over lands in the Kitimat-Terrace Industrial Corridor and the airport. I wonder why a port authority wants or needs jurisdiction over that much land. This is a big piece of territory you are talking about. It's already under the jurisdiction of the Regional District. If you even need a Port Authority it should be contained in the workings etc. of the port and the port developments.

A. I have not seen any legislation, but certainly the proposal is to eventually replace the Port Society with a Port Authority. The society has a limited life. The concept of a Port Authority is not only to deal with a marine port but also with an airport and industrial lands between. It's not just dealing with a seaport. The concept put forward by, I think, the B.C. Ports Policy which was a brochure which was let out as a white paper last Dec. '89 and travelled throughout the province and they received comments and that may then lead to the legislation, but I have not yet seen any legislation. I don't know what is proposed.

Q. It seems to me to be wrong that you have jurisdiction over land which none of us have in Terrace.
This port development outlined is not a major port development. It does not need a Port Authority to run that. You're administrator and your staff will probably do.

3) PAUL KENNEDY - PRINCE RUPERT

The grain and mill terminals do not enter the picture. They have Fairview site with 3 berths currently operating at 40% capacity.

Q. What from your studies do you foresee for economic pluses for Kitimat and negatives for Prince Rupert.

A. Go through the scenario - looking at some newspaper articles from the Prince Rupert news. Article said the Prince Rupert Port Corp. had announced profits of 2 million dollars, etc. Yes, in the last year there has been a drop (from 700,000 to 600,000 tons), but there is a comment by Mr. David Shearer, your Manager of Engineering and Maintenance, who was quoted in the paper as saying another berth could be established at Fairview and it would be dedicated to shipping concentrates if sufficient volumes were secure. The port is currently negotiating to ship 650,000 tons a year from 3 mines that will be operational by 1993 and 100,000 tons

of copper per year from another company in the near future." I can go on ...

Q. My question is what are the net economic benefits your studies show for two facilities in the region?

A. The port in Prince Rupert last year did some 500,000 tonnes of lumber. They're looking at 600,000 to 700,000 tonnes of mineral concentrates which then brings it pretty darned close to it's whole capacity again. 1.5 millions tonnes, assuming that each of the 3 berths at Fairview. A terminal operating at capacity is no where near 100%, it's probably at 80%, and if you're able to achieve that you're very lucky. That then puts you at a point of having a shortage and I can see why the Prince Rupert Port Corp. has said they want to build to establish a 4th berth now at Fairview. In addition, your Chairman, Mr. Sidell was quoted as saying that the Prince Rupert Port Corp. has spent 34 million dollars enlarging it's 14 year old Fairview terminal, providing a ship berth and more back up land which was done in 1988/89/90. The port has bought land to allow a 4th and possibly 5th berth be built at Fairview. If things are so bad in Prince Rupert, I wonder why your Port Corp. isn't considering building a 4th and possibly a 5th berth at Fairview?

Q. I don't think they've made the announcement.

A. No, they haven't made the announcement. They were quoted in the newspapers as saying that.
What I am saying to you is if there is tonnage for Prince Rupert, then there has to be some tonnage for Kitimat. That bring's me back to my opening remark. The question is not should a terminal be built, because we know there is and will be enough volume, the question is where. And I am saying it's in Kitimat.

Q. Why Kitimat? Why not look at the net economic development of the region?

A. If Kitimat could get a 48 million loan from the taxpayers we would be just as well off as Prince Rupert.

Q. Was some of the $400,00 directed at Price Waterhouse economic study?

A. Yes.

Q. Why, if taxpayers' money went into the study, and you're claiming it is economically beneficial to the whole area .... why can't an alternate community that has certainly as you perceive ...

A. If the Port of Prince Rupert is prepared to share all of it's economic data with us, we're prepared to do the same.

Q. But I don't think that their's has all been generated from tax dollars ...

A. Where did they start from, Paul? Heaven?

Q. If its taxpayers money that went into the study, why isn't the economic information public?

A. When the port corporation is prepared to share their data and information with us, we'll do the same.

If you want to talk about tax dollars, send away to Ports Canada. They will send you an annual report.

Jack Talstra's comments -

I want to compliment Prince Rupert for being regionally concerned. Wealth could be shared regionally with other communities as well. Regarding economic viability for the region - you know that competition does some wondrous things. Saw mills in Terrace and in the area east of Prince George have an up and down economy. Maybe (not the only answer) if we can cut transportation costs somewhat for eastern B. C. and Alberta, and keep those mills going then it is an economic benefit for us.

Q. It was understood that the scheduled for dredging would begin in October of this year or approximately, so, is this still valid or subject to delay?

A. Mr. Griffin pointed that out. We can't do anything until we get the permitting approvals.

Q. Will any government money be spent on infrastructure before the final approval in principle?

A. The harbour rate is not part of the port proposal.

Q. Will we ever have the studies to look at?

A. For the economic studies, that is correct. You'll have the geotechnical and environmental studies.

Q. Well, I am really interested in the socio-economic data. So, the economic studies will never be able to published and we will have a look at that?

A. Yes, I am sure Prince Rupert Corp. is willing to share everything with us too.

4) PAUL DISTALER - KITIMAT

I have been a Kitimat resident for 21 years. This meeting is for Terrace residents. As far as the Terrace area goes, whether shipping goes through Rupert or Kitimat, Terrace benefits either way. The more shipping there is going to be in the future the bigger the benefit for Terrace residents. The previous speaker was asking what is the benefit for the whole region. For anybody familiar with the Vancouver area, there is very little expansion that can go on there; Vancouver is full.

If there is going to be a port in Kitimat, it will certainly take some shipping away from Prince Rupert on a short term basis. Obviously Prince Rupert people are concerned; we all understand it.

However, if in the long run as pointed out, competition will create a healthy competition between the ports of Prince Rupert and Kitimat will provide for a better economic situation for shippers east of here. In the long run, total shipping through this area would increase and would get some of the shipping that is going through Vancouver. So, I think if we just look at it, Terrace really has nothing to loose; they only have to gain by having another port down in Kitimat. Long time workers will be people from Terrace working in Kitimat. People from Terrace work in Kitimat; people from Kitimat come here all the time, and this whole area will benefit from another port what would provide more traffic.

5) TERRY CHEER - PRINCE RUPERT

I am a long shoreman. You said some points that I'm gravely concerned about. You said that if your proposal does go ahead then there will be 40 jobs that will be transferred from Prince Rupert to Kitimat. In the meantime, the provincial government would have to spend 25 million dollars to get these jobs.

Q. Why should you transfer jobs?

A. I'll ask you the question back. Why should there be more expansion in Prince Rupert?

Q. Why should there be expansion?

A. I think I've already answered that in my longer diatribe and that was we know that in due course the lumber volumes will increase again because in 1988 you shipped 80,000 tonnes of lumber - over two thirds in Fairview. So you built a third one so you could have a 1.5 million. Now, if your Prince Rupert Port Corp. is saying they have all this other tonnage of mineral concentrates, then even if lumber stays at the same level it is now, with the additional concentrates that are going to go through there, you

will still be at capacity of 1.5 million tonnes. So, there may be a temporary shift in jobs. But in the long term, if those 40 jobs do transfer from Prince Rupert to Kitimat, when you get back up to 1.5 million tonnes, then those jobs will be back in Prince Rupert.

Q. Yes, when you talk about tonnage, you say iron ore is a very high commodity. You can have a high tonnage factor ratio because of what the cargo is. When you deal with lumber or pulp, or wafer board or plywood or any other commodity, you have a higher area of storage, so what happens, your cargo figures can increase for Prince Rupert, but it won't take up very much land as compared to what pulp or lumber take.

A. I wonder why the Prince Rupert Port Corporation managers, or whatever, are quoted as saying they want to expand to # 4 and #5.

Q. Well, that could be in 10 years.

A. It could be next year too, because the Port Corporation has just bought further land to develop in Prince Rupert. Maybe it's speculation, I don"t know, but they've bought further land.

Q. Point of information - while you've heard that Fairview terminal is only operating at 40%, why would your committee want to develop another port? Who is going to benefit?

A. I think I have touched on that too. Two years ago, it was 800,000 tonnes. Do you think that next year it's just going to keep going down or are you optimistic and hope that it's going to come up again? I am hoping that it's going to come up.

Q. Since 1987, my hours of work as a long shoreman have decreased. Our local has decreased hours in work by 100,000 since 1987.

A. Right, that's because the market has gone down.

Q. I think this is the wrong time for expansion.

A. No it isn't because now is the time to expand. If you don't expand then things are going downhill. What you would do is to expand now to create a terminal in Kitimat so that when the market turns around you are in a position to handle the product. You don't wait until the product shipments are at peak and say, oh gee, I think we should build now.

Q. What would happen if in two years it doesn't turn around. Who will pay for the development?

6) TERRY ANDREW - PRINCE RUPERT

I am the General Manger of the Prince Rupert Port Corporation.

There are a few things that have come up.

Q. One of the questions arose relating to the capacity and whether or not the C.N. Rail line to Prince Rupert is currently at capacity or well below capacity. I do believe there are C.N. personnel present in this room tonight who might be prepared to give an answer.

A. I just may not be able to give you the answer right off the top, but if somebody from C.N. wants to talk I'll be glad to listen.

Q. I want to clear up one of your misconceptions. The port tariffs are normally freely published. We can get you a copy if you wish. Another thing that you seem to be hanging quite a lot on comments made by my staff with respect to potential for expansion. I want to emphasize the potential for expansion. There is potential for expansion.

A. There is potential in the northwest.

Q. You question confidentiality and studies. I want to put the record straight with respect to your consultant studies. We have shared a bulk of information with the provinces consultants with respect to the work they did on the Kitimat terminal, including marketing studies. I found it quite remarkable that you failed to provide the information that has been developed as a result of the studies.

7) JOHN LESAGE - KITIMAT

I'm an ironworker by trade. I worked in Prince Rupert, Hazelton, Kemano, Kitimat. I know a little bit about the Pacific Northwest.

I wonder if our friends in Prince Rupert realize how many dollars went in from Kitimat and Terrace to help them get their port. A lot of people from Terrace and Kitimat worked on it. Now it's our turn. We need a port in Kitimat and I'll tell you why. Right now, if I want to build a little foundry in the valley, in the Terrace-Kitimat Corridor, I have no where to ship it. I can go to Alcan, Eurocan and Ocelot who may help me out once or twice. But on a full scale deal they wouldn't do it and I don't blame them. They're not in the business to ship third party goods. What we need right now is a public port where anybody can come in from the Terrace-Kitimat Corridor and build a plant or foundry or anything else. I visualize that in the next three years, that Corridor is going to be full of small businesses operating in the valley.
I think 15 years down the line Stewart is going to want a port. And I concur with that. I figure the more that comes into the north it's going to help everybody out. Let's not have the dog and the major at it any more.

7) GLEN GRIEVE - TERRACE

I hope my opinion doesn't create too many enemies or friends here. I do have some concerns about this. One thing I would like to ask about is:

Q. Do you know that there is a copper smelter coming into this area?

A. The copper smelter that is mentioned in the prospectus is an example. It's not necessarily a copper smelter that may come into the area, but it could be any other type of major or secondary industry or whatever. The problem that we have in Kitimat is that there is no public facility then you may not be able to attract those investors to the Terrace and Kitimat region.

Q. It mentions that a copper smelter or another industry might be sited in the Terrace-Kitimat Corridor. What would this actually consist of?

A. It's just the land area between the City of Terrace and the City of Kitimat. I would point out also that the Regional District had done studies a number of years ago on potential industrial sites located primarily south of Lakelse Lake and Kitimat.

Q. I am under the impression that the northeast coal mines haven't worked out exactly as planned. So, when I see figures such as the ones in your prospectus summary, number 3, forecast volumes, and in number 7, for man years of employment, I am suspect. How sure can you be of figures like this? How sure can you be for example that while we may be in a downturn right now, that there will be a terminal?

A. I think we are all aware that in the port industry it is very cyclical in nature. And back in 1988/89 when Kitimat was doing it's study we knew that in 1991 there would be a downturn in the economy. Prior to that it was on an uphill swing. So, I would hope that in the future there will be more housing starts in Canada and U.S.A. and the rest of the world which will require more and more forest products.

Q. Are there any advantages to trying to create this at a time when this shipping activity is down? Do you realize benefits of buying land?

A. I think there may be some benefits in construction costs for example because if you're in a downturn there isn't construction going on, then perhaps the people who tender to hire to do the infrastructure work or the terminal itself would then get that work done at a cheaper cost. That may be one benefit. I think, as I mentioned earlier, you don't build at the top of the cycle, you build at the end of the cycle so you build to coincide with the

upswing in the economy. I think what we want to remember here this evening is that Kitimat is not going to open a port tomorrow. It's going to take some 18 - 24 months to get it on stream. So that will give Prince Rupert Port Corp. a long time to find other cargoes.

Q. In number 6 of the executive summary, you mention testing for toxic organic compounds (bottom of page 3). Could someone be more specific about that?

A. I'm not sure if that in reference to environmental studies and I don't have it.

Q. My box is 601, Terrace. My name is Glen Grieve.

Q. This seems to have got going last June. Who initiated the idea?

A. Kitimat has been working since before about 1987 and in 1988/89 we commissioned a study in conjunction with Alcan and Coast Guard. That was the initial start of a serious look at a port in Kitimat.

Q. Who has paid the half a million or so that the studies cost.

A. It was 400,000 dollars which was paid by the province.

Q. Who will pay for upgrades to the C.N. lines?

A. The junction where the track runs into Ocelot, that spur going down to the port site would be paid for as part of the provincial contribution for infrastructure.

Q. What about the section from Terrace to Kitimat itself?

A. That is C.N. This railway was put in 35 years ago to last for 5 years, so they certainly got their monies worth out of it. I am sure Mr. Woodcock would agree with me in that respect. But, it's not really the point whether they like it or not. C.N. has to upgrade those trestles in order to be able to take the traffic over the line that is currently going over it without any increased traffic they may have from the terminal.

Q. Lastly, your proposal suggests that you are going to create an inter-tidal marsh. I am afraid I am cynical of this idea. Do you really think you can create a new inter-tidal marsh?

A. Well, I don't think that. The environmental consultant, Norecol thinks that and that's there proposal; that would be to dig out some 18 hectares on the west side of Minnette Bay. Currently it's almost an inter-tidal area now. In high tides it's pretty close to being under water. The idea is to dig out that area and to then plant marsh grasses in there which will then create a

habitat for fisheries and for wild fowl.

To answer your earlier question. On Page 32 of the prospectus - it talks about testing for heavy metals - dioxins, etc. and they found that all the samples were within the guidelines for ocean dumping.

8) EMAM KHAN

I am a consultant for the Port of Prince Rupert.

Q. I heard you talk earlier this evening about benefits of this project and yet you say you can not tell us what these benefits are because they are part of a confidential study.

A. I think I, and some people from the audience already mentioned some of those things already. There are benefits to shippers.

Q. Those are not benefits.

A. It depends if you're a shipper or not. If you're a shipper then you're concerned about those benefits.

Q. I should introduce myself as an economist and transportation specialist. You are speaking of economic impacts, not benefits. I think you should check with your consultants. They will verify what I am saying. I know I am right.

A. I am not an economic expert. Glad to have you here.

Q. Since we are not going to get the study, will through you, the province be coming up with a study of this kind? Will the province be conducting a study of the economic impact, economic analysis study, cost benefit analysis?

A. I don't think the Kitimat-Terrace Port Society wants any more studies. We've been studied to death for 20 years.

Q. I am asking you to ask the province this question. I see Dave Parker here. Will the province not be doing one?

A. The economic impact study has been done by Price Waterhouse.

Q. And you are not prepared to share that?

A. No.

Q. Is it a benefit cost analysis study?

A. I can't answer that right now.

Q. Will it be possible for us to have the data?

A. Yes.

Q. Will the province be conducting a benefit cost analysis of your proposal?

A. That's already been answered.

Q. Will the province be conducting a benefit cost analysis of your proposal?

A. I guess the answer would be we don't know.

Q. You said in your prospectus that you received assistance from Sandwell and Norecol to prepare your prospectus. Is this why the consulting contract will be submitted?

A. Yes

Q. Did your organization pay for that?

A. No, the consulting contract was viewed by the port committee at the time, not the port society that you see in front of you. The cost was paid for by the province. It's part of the $400,000. Sandwell was the overall contractor; they were responsible for the marketing feasibility, engineering, environmental and geotechncial studies. They subcontracted some of that work to Price Waterhouse, to Norecall and to Golder.

Q. I asked you if they helped you prepare the prospectus.

A. Yes.

Q. We are expecting to answer to this major project review process with information that has been prepared, at taxpayers expense. I am a taxpayer, and you're saying this information is secret. Have any shipping lines expressed an interest in coming to your port?

A. There are shipping lines currently coming into Kitimat.

Q. Have they expressed an interest in calling into your proposed terminal?

A. It's too early to tell.

Q. Have you or your proponents or consultants done a study of the seaward end of the charges? Such as freight rates charged by ships or piloting?

(An identified person from the floor made a comment. The chairman advised Mr. Khan had the floor.)

Q. Have you or your consultants done a study of the seaward end of the charges? Freight rates, pilotage and various other charges related to this project?

A. I can't answer that right now. We can get an answer to you.

Q. Our bigger questions will be part of our submission.

9) DAVE SERRY - KITIMAT

#1314 Nalabila.

Some of the questions that have been put here tonight are speeches. Let's get it out in the open. Is this whole thing a campaign for the re-election of Mr. Dave Parker?

Some questions being placed here tonight are all a matter of public record.

This speaker spoke about his personal history and politics and when asked by the chairman did not have a question, and returned to his seat.

10) DANNY DEJONG ? - PRINCE RUPERT

I am a longshoreman, not a politician. I am hearing people wanting to transfer jobs from place to place.

Q. What I am wondering is why there has to be a port to compete against Rupert, and why it couldn't be another secondary industry or something like that. Maybe down the road there will be room for two ports, but right now I know of people in my hometown that are going without work and are having a hard time making it because there is not that much work. I am wondering what those 40 or 60 people that you are saying will loose their jobs while they're waiting for things to pick up. They already have their homes where they are. You're saying you're going to take their jobs away and make them wait - you may get your job back. In Prince Rupert many of them have been there for 7 - 11 years, and are still trying to get by because things there have slowed down.

A. We're trying to get by in Kitimat too.

Q. Instead of competing with us, we should be joining together. There should be other industries you can work on. You're sitting with Alcan. Why not build secondary industries off of it.

A. I think I have answered your questions many times this evening.

Q. On the competition between Kitimat and Prince Rupert that's good for the buyer but does it really help the labour? While the ports are fighting each other - it's labour that gets the squeeze. I hope you take that into consideration and realize there are real people at the bottom of this.

Q. On the prospectus, environmentally, I noticed on your map where you want to put the new marsh -- is there a log dump there?

A. Yes there is.

Q. I think you will find this will hinder or may cause a problem.

A. It depends on the location where the tidal marsh goes in.

Q. The marsh may cause a problem. With the increased traffic in your harbour, I hope people realize that you're going to lose cruise ships, and if a storm brews and something happens they will go to Prince Rupert. The only safe harbour is Prince Rupert.

A. I pointed out earlier. There were 220 ships that came in last year. The total number is not going to increase that significantly. It's a matter of charting the ships - there are ways of working around that.

11) BOB IVERSON - KITIMAT

I am chairman of the Economic Development Commission.

I question if the people in Rupert feel threatened for the short term? In the long term, I can not believe that we in the north will not all benefit. Kitimat has been trying for a number of years to get rid of the Alcan syndrome. Industry looks at Kitimat access. This area has a good economic possibility. Kitimat needs this facility. Secondary industry depends on access to the markets, and transportation. Maybe we're not going to have an aluminum wheel plant or something else benefitting from Alcan metal, or from Eurocan products. We need access to markets and low cost transportation. I personally would not want to see a 6,000 person steel mill coming into our community. Rupert even wouldn't want that. We are not competing with Rupert. We are competing with ports in northern U.S., northern Washington. People who have quantities have no vested interest in where it goes. Long term, there will be more longshore jobs in Prince Rupert.
Kitimat knows all about losing jobs. We're down from 15,000 people to 12,000. Don't talk to anybody in Kitimat about losing jobs. That's the key. Everyone of us has children who have to go to the lower mainland for work. I am sure that happens in Rupert. Let's all get together and look ahead because if we don't and we loose these opportunities, they may never come again for a long time.

11) DON PURCELLE - PRINCE RUPERT

I am with the Prince Rupert Port Corp.

Q. You stated a number of times the confidentiality of financial information and yet you proudly wave our Annual Report.

A. It's a public document.

Q. In your socio-economic section, the question of labour was brought up. Are you prepared to tell us whether or not there will be union involvement on the operational side of the terminal? Have unions been consulted?

A. The society is not the builder of the terminal. The society is not the operator of the terminal. When we get to the stage of having infrastructure where there will be a terminal constructed on it, that will be up to the terminal operator to determine what labour component there will be.

12) RAE RAJ - KITIMAT

I have been listening to the Prince Rupert people who are interested in knowing the economics of the Kitimat port development. Twenty years ago there was a good study done to have a port there. Before they could proceed with it there was a deal made between the port of Prince Rupert and the provincial and federal governments that said there wouldn't be any ports allowed on the coast of B. C. for 15 years. Kitimat had no choice but to go along with it. They worked very hard to gain knowledge; to their surprise, what they wanted appeared in Prince Rupert. I am not accusing anybody of anything. It makes you suspicious. That is why this port committee does not want to get burned again. Will Prince Rupert go to the government and try to get the deal? The 15 years is over now and Kitimat wants the port now. It is for the benefit of the northwest. Prince Rupert said they are planning on having 2 - 3 additional berths. Why can't we have that in Kitimat? They have had it so good they don't want to let it go. Competition is good for business. Why are they so negative about the port proposal? I want to let politicians of Prince Rupert know that the people of Kitimat and Terrace have had enough of your crying foul and unjust remarks. It is going with or without your support of the politicians of Prince Rupert. They are against the port in Kitimat. Tomorrow these same people could be against a mall expansion in Terrace. How can you trust these people. When the score is in your favour they enjoy and we cheer for them but once they start losing they cry foul.

13) IVAN BALL - KITIMAT

I've been a resident of the Pacific northwest for 19 years. Your are doing a good job. Mayor Lester, and some time ago Mike Harcourt said you were doing a good job. Keep up the good work.

14) JAN KOSIER - KITIMAT

I have been a Kitimat resident for 10 years. I know the region quite well; lived in Stewart, Kitimat, and Terrace.
I agree Stewart will be next to ask for a port. What we're looking at here is jealousy. Prince Rupert shouldn't be threatened by a port in Kitimat. A port in Kitimat would expound the essence of the port development. Vancouver is competing with Seattle, and they were able to survive. What we're experiencing is essentially a growth and activity that is not happening in Vancouver. We should be poised to take advantage of that. Port development in Kitimat, once it's over with, Prince Rupert can take the lead once again. I have never denied Prince Rupert the opportunity of expansion and by the same token, I support all communities in the region. What's good for Kitimat, what's good for Terrace is good for Prince Rupert.

RICK WOZNEY, CHAIRMAN

I wish to thank everyone for their concerns and comments. I expect that in due course we will also receive your written comments whether from Terace, Kitimat or Prince Rupert. Your written comments are to be in to Mr. Griffin in Victoria by April 12th. Make sure you get your comments in.

I would also like to thank Mr. Griffin for coming out this evening to explain the major project review process. With that I would like to adjourn the meeting.

The meeting adjourned at 9:40 p.m.

_____
Rick Wozney, Chairman
Kitimat-Terrace Port Society

DS:TK

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K-Port #1

FROM.
A VERY CONCERNED
Longshoreman in
PRINCE RUPERT

Mr Derek Griffin.

In reply to the document describing the port project, and it's potential impact to our port workers in Prince Rupert.
We have in Prince Rupert 100 or more casual stevedoring workers who have families to feed and mortgages to pay. To date in the past two years our work has fallen to 50% or more, due to the trade market and recession.
To propose in agreement for another deep seaport to be constructed, in these very hard financial times would be total devastation and very degrading to the lives of our men who work on the docks.
We seriously hope in all due fact, this is placed before your society with the utmost of humane concern for our future and families Sincerely. Jim Keast

K-Port #2

Lax Kw'alaams Indian Band

Port Simpson, B.C. V0V 1H0
Phone 625-3293
Social Development Office 625-3474
Strong Band Government is the Answer

March 21, 1991

Chairman
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B.C. V8V 1X5

RE: MAJOR PROJECT REVIEW PROCESS

The Lax Kw'alaams Indian Band supports the City of Prince Rupert in their request for a public information meeting as part of the major project review process for the proposed port at Kitimat.

We concur with the City of Prince Rupert that the socio-economic impact to our community will be significant. The Native communities recognize the importance of this issue and welcome the opportunity to express concerns in a public forum.

We look forward to your favourable response to the recommended dates of March 25th - 28th.

Sincerely,

Robert Sankey
Band Manager

K-PORT #3

PRINCE RUPERT & DISTRICT
Chamber of Commerce
P.O. Box 164 115 West First Avenue
PRINCE RUPERT, British Columbia V8J 3P5 CANADA
TEL (604) 624-2296 FAX (604) 627-8493

March 21, 1991

Major Project Review Process
Ministry of Regional & Economic Development
4th Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Chairman

Dear Sir:

Re: Major Project Review Process

It is without question that the propoed port at Kitimat would have a severly negative impact on the City of Prince Rupert

With this in mind, we would request that the same priviledge be given Prince Rupert that has been given Kitimat and Terrace, this being the opportunity for the local residents to have information and input into the project.

In our minds, this can only be accomplished in the same manner the other cities enjoyed, namely a public meeting.

As time is of the essence in this situation, with written submissions to required by April 12, 1991, we request a meeting be held prior to March 26, 1991.

Again we would take this opportunity to impress upon you the importance of the residents to address the significant impact this project will have on our community.

Yours truly,

Rick Lindseth,
President

K-PORT #4

North Coast Tribal Council

Head Office:
Lot 1, Subdivision 4
Metlakatla Village
P.O. Box 554
Prince Rupert, B.C.
V8J 3R7

Branch Office:
100 - First Avenue West
Prince Rupert, B.C.
V8J 1A8
Phone: (604) 624-4866
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March 21, 1991

Chairman
Major Project Review Process
Ministry of Regional &
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Re: MAJOR PROJECT REVIEW PROCESS

The North Coast Tribal Council support the City of Prince Rupert in their request for a public information meeting as part of the major project review process for the proposed port at Kitimat.

We concur with the City of Prince Rupert that the socio-economic impact to our community will be significant. The native communities recognize the importance of this issue. All local residents and residents of our surrounding villages should have the opportunity to express their concerns regarding the proposed Kitimat port.

A favourable response to the recommended dates of March 25 - 28, 1991, is anticipated. Thanking you in advance for your time and cooperation.

Sincerely,

NORTH COAST TRIBAL COUNCIL

for Harold Leighton,
President

K-PORT #5

Prince Rupert Port Corporation
La Société du Port de Prince Rupert

110 3rd Avenue West
Prince Rupert BC
V8J 1K8
(604) 627-7545
Telex 047 59192
Fax (604) 627-7101

110, 3e ave ouest
Prince Rupert (C-B)
V8J 1K8
(604) 627-7545
Telex 047 59192
Fax (604) 627-7101

March 21, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin:

Re: Proposed Terminal at Kitimat

As you know representatives of the Prince Rupert Port Corporation attended the two public information sessions on the above subject.

As we understand from your explanation of the Major Project Review Process (MPRP) the public information sessions are:
(i) to allow the proponent to present the proposal
(ii) to ensure that the MPRP is to be satisfied that the public has been given the opportunity to be informed about the proposal.

At both meetings, but especially so at the Terrace meeting, the proponent flatly refused to share information of an economic nature "on grounds of confidentiality" (proponent's words). Media reports also contain more contentious reasons alleged to have been made by the proponent. Members of the public on several occasions asked for the information to no avail, especially at the Terrace session.

../2

We believe that this refusal to share information which is critical to the public's, and we count ourselves as "the public", ability to understand and evaluate the benefits and costs of this proposed project makes a mockery of the public information process. Additionally, since one of the MPRP requirements is that the proponent present such information (as part of the socio-economic assessment process) we believe this refusal compromises the credibility of the MPRP itself.

We are drawing these deficiencies to your attention immediately and look forward to their being remedied before April 12, 1991, which is the deadline set by the MPRP for receipt of submissions.

As a suggestion you may seriously wish to consider the extension of your deadline to allow the proponent sufficient time to redress this deficiency, perhaps at another public information session.

Yours truly,

Terrence R. Andrew, P.Eng.,
General Manager and
Chief Executive Officer

cc: Hon. William Vander Zalm
Premier
Province of British Columbia

Telecopier 7021 : 3-22-91 : 10:12 : 6046277101 6046556975 : 2

K-PORT #6

Prince Rupert Port Corporation
La Société du Port de Prince Rupert

110 3rd Avenue West
Prince Rupert, B.C.
V8J 1K8
(604) 627-7543
Telex 047 89192
Fax (604) 627-7101

110, 3e ave. ouest
Prince Rupert (C-B)
V8J 1K8
(604) 627-7543
Telex 047 89192
Fax (604) 627-7101

March 22, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin

RE: PUBLIC MEETINGS REGARDING THE PROPOSED TERMINAL AT KITIMAT

We are concerned that these meetings, which according to the Major Project Review Process, are designed to be informational in nature, have been turned into confrontational contests pitting one community against another. We are further concerned that the Chairman of the public meetings, Mayor Rick Wozney of Kitimat, is promoting this confrontational atmosphere.

For instance, at the Kitimat meeting Mayor Wozney indicated that bus transportation had been arranged to allow residents from Kitimat to attend the second session in Terrace. He also indicated that the full consultant's report, even though it was paid for with tax payers dollars, would not be released because Prince Rupert would be able to use the information to build more terminals.

We feel that the manner in which these meetings are being conducted is not covering the intent of the Major Project Review Process and consideration should be given to rescheduling these meetings, with an impartial chairman, so that information can flow as is the intention of the Major Project Review Process.

../2

We should note that the proponent of the Port of Kitimat indicated that there will be a significant impact on the cities of Prince Rupert and Port Edward in terms of job loss and relocation of economic activity. In view of this information, we would request that a hearing be scheduled for Prince Rupert forthwith so that the concerns of the community can be heard.

Yours truly,

Terrence R. Andrew, P.Eng.,
General Manager and
Chief Executive Officer

cc: Hon. William Vander Zalm
Premier
Province of British Columbia

Hon. Cliff Serwa
Minister of Environment
Province of British Columbia

Hon. Bud Smith
Minister of Regional & Economic Development
Province of British Columbia

K-PORT #7

Prince Rupert Port Corporation
La Société du Port de Prince Rupert

110 3rd Avenue West
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(604) 627-7545
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110 3e ave. ouest
Prince Rupert (C.-B.)
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(604) 627-7545
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Fax (604) 627-7101

MAR 28

March 28, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin:

RE: MPRP, KITIMAT MARINE TERMINAL

During the public information session on the above subject held in Terrace on March 19, 1991, the public and Prince Rupert Port Corporation, asked several questions which were directed to the proponent, and through the Chairman to you and to the Hon. Dave Parker as representatives of the Provincial Government. As you know the proponent did not answer the questions, or answered them inadequately, and the Provincial representatives gave no answers.

The questions asked were in the context of requirements under the Guidelines of the Major Project Review Process (MPRP) published jointly by the Ministry of Regional and Economic Development, and the Ministry of the Environment (ISBN 0-7726-1049-5). We believe the questions asked in Terrace have assumed even greater importance and hence we are now asking them in writing, with specific reference to, and in context of the guidelines. The questions and your response will form an integral part of our submission under the MPRP. In this regard we would appreciate your reply no later than April 5, 1991, to allow us time to include it in our written submission to meet your deadline of April 12, 1991.

../2

Before discussing the guidelines and questions, we wish clarification on the process being followed. Page 7 of the Guidelines "Stage 1 Analysis and Review" - sub-heading "Public Consultation" requires the proponent to hold public information sessions. We are under the impression that the Project is at the "Prospectus" stage, and has not been referred to Stage 1 as yet. Could you please explain why the proponent is holding public information sessions at the prospectus stage? Will the proponent be holding public information sessions at the Stage 1 process as well? (assuming that the project goes to stage 1).

We are concerned that it appears that the MPRP is not following its own Guidelines and processes. Are you, for example, "fast-tracking" this process?

In terms of the following questions, the relevant sections of the Guidelines will appear first, and the question(s) will follow. Where sections or words are emphasized, the emphasis is ours. Questions are sequentially numbered to facilitate reference.

> Ensuring the financial commitments of proponents are consistent with the level of government endorsement;
> Ensuring projects receive adequate assessment of their environmental and socio-economic impacts;
> Encouraging early development of management plans for the environmental and socio-economic impacts of major projects;
> Providing a streamlined approval process for projects with no major environmental or socio-economic impacts; and
> Identifying and addressing community concerns about major projects, and disseminating information to the public.
>
> Page 2, Guidelines

QUESTION(S)

1. Since the above are the stated objectives of the MPRP, is the MPRP undertaking any of the above objectives?

2 If not the MPRP, is any Government Ministry or agency doing so?

../3

3. If so, can we have any relevant data, studies etc. conducted by you, or available to you?

4. Have you identified and addressed "community concerns" e.g. the likely impact of the project on employment in Prince Rupert?

> PROSPECTUS PREPARATION AND REVIEW
> PROSPECTUS CONTENTS
> Proponents are required to file a Project Prospectus with the Steering Committee to begin the Major Project Review Process (at least 75 copies will usually be required). The purpose of the prospectus is to provide an overview of the project. The prospectus should include a concise resume of the proponent's corporate activities, a substantive description of the project, including preferred sites and schedules and a description of the potential environmental and socio-economic impacts of the project and how these are to be addressed (see Appendix 2).
>
> Page 7. Guidelines

QUESTION(S)

5. The Prospectus contains information and description of some of the socio-economic impacts but no information on how these are to be addressed. Specifically, the project is likely to cause significant diversion of employment from Prince Rupert. Has the proponent stated how the job loss and other benefits from Prince Rupert are to be addressed?

6. Has the MERP or the Provincial government dealt with this shift of employment from one region to another, and the impacts?

7. Could we please obtain information if these have been done?

> Projects with unresolved technical, social or environmental issues will require Stage 1 review. In cases where the outstanding issues are not considered to be resolvable, the project may be rejected at the end of the prospectus review.
>
> Page 7. Guidelines

QUESTION(S)

8. The proponent states in the Prospectus that habitat loss compensation procedures are yet to be confirmed by the responsible federal agencies. Have the federal agencies given such confirmation?

9. If not, is this not sufficient by itself, to refer the process to Stage 1, assuming, as we will be contending, that the prospectus does not die at the prospectus stage?

10. Could we have information on exactly what the proponent has done in its dealings with federal agencies? Has the proponent, for example, referred the habitat loss compensation procedure to the federal agency(ies), and if so, what if any, has been the federal response?

> FINANCIAL ANALYSIS
> If at any stage of the review process, publicly financed infrastructure or other types of government assistance are requested or substantive and costly mitigation requirements are identified, then the Steering Committee may request that the proponent submit a confidential financial feasibility analysis of the project to the Ministry of Regional and Economic Development. The Ministry will review the analysis and advise the Steering Committee as to the status of the requested government assistance and/or the capacity of the project/proponent to meet mitigation requirements.
>
> Page 8. Guidelines

../5

QUESTION(S)

1. The Proposal both requests government assistance, and identifies substantive and costly mitigation requirements. Has the Steering Committee requested that the proponent submit a confidential financial feasibility analysis to the Ministry of regional and Economic development?

12. If so, has the Ministry advised the Steering Committee as to the status of the requested government assistance and/or the capacity of the proponent to meet mitigation requirements?

13. Assuming that the Ministry has done so, could we obtain the Ministry's findings/conclusions/recommendations?

N.B. While the Guidelines protect the confidentiality of the proponent's submission, there is no such protection for the Ministry's findings etc.

PUBLIC INVOLVEMENT
The objective of seeking public involvement is to receive and respond to the broad range of public concerns regarding the project.
Page 9. Guidelines

QUESTION(S)

14. During the public information sessions, the proponent repeatedly stated that he would not disclose financial and economic analysis purportedly done by Price Waterhouse.

Could you please let us know how the above objective of seeking public involvement can be obtained when the proponent is withholding such information from the public?

15. Will the MPRP be requiring the proponent to make this information available to the public?

N.B. It is common practice to make sufficient information available without breaching confidentiality as is well-known by the MPRP Steering Committee.

../6

16. If the proponent is unwilling to disclose such information which is vital to the public's understanding of the proposal, will the MPRP either reject the prospectus, or hold any other action in abeyance until the proponent satisfies the requirement for public information?

N.B. The members of the MPRP do not need us to tell them that the spirit of public involvement and the intent of the MPRP process itself is to ensure that the public makes a well-informed review of any major project. Withholding key information makes a mockery of the process.

Yours faithfully,

Terrence R. Andrew, P.Eng.,
General Manager and
Chief Executive Officer

cc: Hon. William Vander Zalm
Premier
Province of British Columbia

Hon. Cliff Serwa
Minister of Environment
Province of British Columbia

Hon. Bud Smith
Minister of Regional & Economic Development
Province of British Columbia

K-PORT #8

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about the proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

1. A public information meeting be held in Prince Rupert.

2. A full explanation be provided concerning the Major Project Review Process at the public meeting.

3. Full disclosure be made of publically funded consultant's reports containing financial data, information about viability of the proposed port and its immediate and future markets.

4. Questions asked by concerned individuals, labour organizations, our municipal government and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society.

5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) [illegible]

(address) 1338 - JAMAICA AVE
PRINCE RUPERT, BC

K-PORT #9

Glenn Grieve
Box 601
Terrace, B.C.
V8G 4B5
March 28,1991

497
APR 3 1991

Major Project Review Process:

I am opposed to the development of a port at Kitimat at this time for reasons including the following.

1. Utilization of existing port facilities at Pr. Rupert is well below maximum, and

2. Utilization of CN rail is well below maximum.

Therefore, there is no apparent need for another port at this time due to excessive business.

3. All of the figures, on which the plan to go ahead are based, are, hopefully, educated guesses at best, and

4. recent educated guesses regarding such projects as northeast coal have proved quite inaccurate. I do not have any faith in projections from a consultant paid by the proponents of the plan, and

5. Cost estimates given at the public meeting in Terrace by the proponents suggested over 20 million dollars of tax money are needed for infrastructure construction. Such cost estimates are often grossly underestimated.

Therefore, all of the projections are suspect.

6. Viability of the plan depends on taking jobs away from people in Pr. Rupert, and development of a pulp mill and copper smelter. I don't want any of these things to happen.

7. There is a lack of information. We don't know of any arrangements with potential shippers, shipping lines, or port operators. The financial part of the consultant's report is being kept secret. Revenues can only be based on non-existent industries.

8. This project involves destruction of a significant chunk of estuarine delta at the mouth of the Kitimat river, a prime fish bearing stream. Such deltas are very important to the entire ecosystem and are in short supply worldwide. Plans to offset this damage by "creating" a new mudflat in Minette bay are made by people who suffer from illusions of grandeur and biological naivete.

I'm not surprised that people from Kitimat at the public meeting would be proponents of the plan. Any increase in business would probably be welcomed in Kitimat. However, they seemed to be trying to justify the plan by saying that, since Rupert got tax money to help their port along, Kitimat should get some too, and that since Rupert MIGHT be thinking of expansion in the future, then Kitimat should do the expanding first. While Kitimat should have equal access to tax money and while any future expansion should include Kitimat's being considered, these do not justify a port there now!

Finally, proponents suggested that increased business from a port would be welcomed. They cited such visions as a Kitimat-Terrace corridor full of secondary industry. I do not think that increased business is necessarily good for anybody in the long run. It just perpetuates the "growth is better" kind of non-sustainable, environmentally and culturally unstable trend of the past.

To me, there are many, far better uses for the resources of the public.

Sincerely yours.

Glenn Greene

K-PORT #10

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

513

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about thc proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

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2. A full explanation be provided concerning the Major Project Review Process at the public meeting.

3. Full disclosure be made of publically funded consultant's reports containing financial data, information about viability of the proposed port and its immediate and future markets.

4. Questions asked by concerned individuals, labour organizations, our municipal government and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society.

5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) Craig Amett

(address) 1107 - SUMMIT AVE. P.R.
V8J - 2A2.

K-PORT #11

APR 2 1991

Derek Griffin.
Ministry of regional &
Economic Development

3937 Sande Ave.,
Terrace BC.
Mar. 22 1991

Major Projects and Review
Ministry of Regional Economic Development.

Sir:

I would like to request that the transcriots and the meeting of Tuesday March 19,held in Terrace under your title to review and provide information on the Marine Terminal at Kitimat,as proposed by the Terrace -Kitimat Port Society,be declared inadmissable for your review.

That meeting provided little valid information,even people looking for basic facts were given,not answers,but verbal abuse by the Chairman.

The transcripts must be called into question because of the argumentative tone of the meeting(mOstly instigated by the Chairman)would have made accurate recording of the proceedings impossible.

In the future I would suggest that you provide an independant Chairman(as all chairmen(persons) must be) and limit the proponents role as directed by the chair.

Yours Truly,
L.Watmough. director,RD
Kit.-Sti.
L. Watmough

K-PORT #12

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

530

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about the proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

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4. Questions asked by concerned individuals, labour organizations, our municipal government and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society.

5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) O S Bell

(address) 2120 Cornation Ave
Prince Rupert, B.C.

K-PORT #13

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

531

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

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5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) G. E. Bell

(address) 201 [illegible] DRIVE
PRINCE RUPERT, B.C.
V8J 2E6

K-PORT #14

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

532

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about the proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

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5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) B Guen

(address) 913 PR Blvd Prince Rupert.

K-PORT #15

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

533

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about the proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

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5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) Amy Harlow (Amy Harlow)

(address) 1822 6th Ave. E., Pr. Rupert, BC V8J 1Y6

K-PORT #16

To: Derek Griffin
MPRP Coordinator
Regional Planning and
Infrastructure Branch

APR 8 1991
538

Dear Sir,

My name is Thomas Meier and I am a long term resident of Kitimat. I was born and raised in Kitimat and am presently engaged in the operation of a local business.

This letter is in reference to the port proposal in Kitimat.

I would like at this time to express to you and your government that I am in total favor of a port development in Kitimat. I feel it would create a vital transportation link on the BC coast and is extremely viable despite the protestations of Prince Rupert's local government.

British Columbia is on the threshold of major development especially in the north and I look forward to being a part of this growth especially if it is condoned by a wise yet sensitive government.

I would hope that you and your ministry look toward a port development with vision and strong support for growth in the north.

The time for Kitimat to develop a port is now, let's work toward this goal so as we can ensure a long and prosperous future for Northern British Columbia and her children!

Sincerely Yours,

Thom Meier

14 Kitlope St.,
Kitimat B.C.
V8C 1X5

K-PORT #17

To: Derek Griffin
MPRP Coordinator
Regional Planning and
Infrastructure Branch

538
APR 8 1991
REGIONAL DEVELOPMENT BRANCH

Dear Sir:

My name is Diana Raposo and I am a resident of Kitimat, employed at a local business. This letter is in reference to the port development proposal in Kitimat.

I would like to express my support of this project and hope that the major project review process would also look favorably on this development.

I feel that a port development would stimulate growth that would benefit all British Columbians especially Northerners.

As a concerned northern resident I feel I must stress the importance of this type of growth to myself and the future of my family.

Sincerely Yours,

D Raposo

Diana Raposo
2 Driftwood,
Kitimat B.C.
V8C 2K7
632-6344

K-PORT #18

April 9, 1991

Mr. W.D. Hickman
PO Box 5
Kitimat, BC
V8C 2G6

553
APR 9 1991

Ministry of Regional and Economic Development
Regional Planning and Infrastructure Branch
712 Yates Street
Victoria, BC
V8V 1X5

Attention: Mr. Derek Griffin

Dear Sir:

I am writing on behalf of my family and myself, a letter of support for the installation of a general cargo wharf at Kitimat.

I worked for Northland Navigation in 1975 at Northern Dock when a land slip caused considerable damage to the wood dock and piling structure. This dock was leased at the time from Alcan and handled visiting ships, such as Coast Guard, Navy and the Coastal passenger & cargo ships. General cargo was moved over the dock. After the damage from the land slip the dock was condemned, torn down, and was never replaced, to date general cargo (coastal only) continues to move over a Rivtow Marine barge ramp leased from Alcan. But there are no facilities for ships other than the three private berths of Alcan, Eurocan, and Ocelot. There is no public highway or rail head to available tidewater. The new port proposal would rectify these problems, produce more work positions that our children could take, and enhance other business prospects.

My only concern for the dock would be one operator and only one product, I would prefer open access for any ships to berth and to the public when allowed. (cruise ships and ship services).

The idea of a provincial designated port is a good one as I believe that one level of Government bureaucracy is done away with and local decisions by a local Port Authority would be more meaningful and immediate.

The "window of opportunity" is now and I would strongly suggest that as all studies of the proposal for a port are complete and positive, that the review process be taken to the Cabinet for approval in principal, without the delay of further stages in the process.

Yours truly,

W.D. Hickman

(Terminal Manager for Rivtow Marine Ltd. at Kitimat.)

K-PORT #19

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

555

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about the proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

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4. Questions asked by concerned individuals, labour organizations, our municipal government and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society.

5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) Carl Emmy

(address) 1707 Kootenay Avenue
Prince Rupert, B.C.

K-PORT #20

322 Industrial Avenue
Kitimat, B. C.
V8C 2E9
March 28, 1991

582

Province of B. C.
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B. C.
V8V 1X5

ATTENTION: Mr. Derek Griffin, Coordinator
Major Project Review Process

Dear Sirs:

RE: Kitimat Port

We, the undersigned, would like to inform you that we are in support of the new Kitimat-Terrace Marine Terminal and feel that there is a need for this service.

From the public hearings held in Kitimat and Terrace on March 25 and 26, 1991, we do not feel that the reasoning used for not developing the marine terminal was substantiated with any hard facts but, rather, was based on a lack of cooperation from a neighbouring community.

Again, we do not foresee any reason for not developing the Kitimat-Terrace Marine terminal, and we look forward to receiving a favourable response from your office.

Yours truly,

Barbara Hartmann

K-PORT #21

March 28, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

59

Dear Sir;

Public information meetings held at Kitimat and Terrace about the Kitimat Port Proposal failed to provide residents of Prince Rupert adequate information. More information is required to allow concerned citizens to make informed and relevant submissions to the Major Project Review Process.

The residents of Prince Rupert have a right to be fully informed about the proposed port. I request the following actions be taken immediately to assure all affected will have an equal opportunity to understand and participate:

1. A public information meeting be held in Prince Rupert.

2. A full explanation be provided concerning the Major Project Review Process at the public meeting.

3. Full disclosure be made of publically funded consultant's reports containing financial data, information about viability of the proposed port and its immediate and future markets.

4. Questions asked by concerned individuals, labour organizations, our municipal government and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society.

5. The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Sincerely,

(name) Sam Meers

(address) 626 Sherbrook Ave

K-PORT #22

577

Terrace Kitimat Airport Advisory Committee

R.R. 4, Terrace, B.C.
Canada V8G 4V2

(604) 635-2659

4 April 1991

Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, BC
V8V 1X5

Attention: Derek Griffin, Coordinator
Major Project Review Process

Dear Mr. Griffin:

Re: Kitimat Port Project

The Terrace-Kitimat Airport Advisory Committee has formally moved to endorse the KITIMAT MARINE TERMINAL development proposal. Members view the Kitimat Project as a key element to regional economic development and diversification with significant potential for spin-off benefit to all sectors.

The Airport Advisory Committee is well aware of successive studies having been commissioned by the District of Kitimat and the Provincial Government. All have confirmed physical and financial practicalities for development at Kitimat.

Transportation and required infrastructure is the lifeblood of the Province and is essential for not only growth, but even survival within the Kitimat-Stikine region. The Airport Advisory Committee encourages the Provincial Ministry of Regional and Economic Development to expedite the Major Projects Review Process and to commit to participation in the project.

I assure you that the Airport Advisory Committee will do its part to insure coordination of Kitimat port and Kitimat-Terrace airport developments.

Yours truly,

for Jim Wood
Chairman

BDM:tlc

pc: Jim Gustafson, District of Kitimat Municipal Manager

K-PORT #23

INTERNATIONAL
LONGSHOREMEN'S &
WAREHOUSEMEN'S UNION
LOCAL 505

P.O. BOX 531
PRINCE RUPERT, B.C.
V8J 3P5
TELEPHONE (604) 624-9538
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SUBMISSION TO
MAJOR PROJECT REVIEW PROCESS
FROM
INTERNATIONAL LONGSHOREMEN & WAREHOUSEMEN'S UNION LOCAL 505
APRIL 12, 1991

Surviving in a volatile work place that is influenced by endlessly fluctuating domestic and international markets, a work environment that is constantly altered by sophisticated developments in machinery, transportation technology and systems is, at best, challenging and frustrating.

Members of the ILWU Local 505 have learned to deal with the harsh physical demands of their trade and the constant erosion of available work brought on by increasing mechanization and less labour intensive systems for loading, unloading and warehousing cargoes. These threats to those who practice our trade are an inescapable element of the production and transportation industries that are also faced with escalating costs and expenses.

Our membership has learned to adapt to the uncertainties of employment created by market and production fluctuations. We have learned the value of working as many hours as possible when work is available, of saving and budgeting our incomes and of finding alternative ways of earning money when work in our chosen trade is not available.

Since 1987 we have lost more than 40 per cent of our work force. Those of us who remain have suffered, on the average, a loss of 200 hours (five weeks) employment per man per year. Few workers in any trade, job or career would find it acceptable if asked to give up five weeks (nearly 10 per cent) of their annual earnings. In a time of high unemployment and higher taxes, of government restraint in unemployment benefits and social programs such a loss in employment and earnings weighs heavily upon each of our members and their families.

During the last year our local has added only eight new members to our work force. Two have been added to our work pool this year and six the year before. None of the new members have been able to work any more than very casual, temporary positions.

The brethren of Local 505 are now faced with yet another threat to our employment, place of work and ultimately the livelihoods and welfare of our work force, their families and loved ones.

This new threat is the proposed construction of a deep sea port at Kitimat. This potential project, in our view, is not the result of fluctuating market, production or transportation demands and is far more difficult to understand, for a variety of reasons. It encompasses more than just the availability of work. It threatens our lifestyle -- where and how we can live to work in our trade -- the conditions under which we will work and, ultimately, our physical safety.

We have experienced extreme difficulties in preparing this submission because we have been denied access to information contained in publicly funded consultants' reports. In addition our representatives, who attended public information meetings held in Kitimat and Terrace, were unable to ask all their questions or receive useful answers to the few questions they were able to ask.

The conduct at the public information meetings, the obvious bias of the chairman against anyone questioning the Kitimat Port Prospectus and the crowd's discourteous reception to anyone seeking more information made obtaining any meaningful information impossible.

Based on the limited amount and quality of information to which we have been allowed access, this submission utlines our opposition to construction of a deep sea port at Kitimat.

JOB AVAILABILITY & LABOUR POOL

Currently, Fairview Terminal at the Port of Prince Rupert is operating at only 40 per cent of its full throughput capacity. Job availability is extremely limited.

In 1987 Local 505 had a labour pool of 225 workers who worked a total of 287,000 hours. In 1988 the number of hours was reduced to 255,000; by 1989 the total was 225,000 hours and in 1990 our labour force had shrunk to only 135 workers who were able to work no more than 187,000 hours. Projections for this year offer little hope for increases in work available to our trades.

Reduced lumber and lumber products traffic through Fairview has had devastating effects on our work pool. Many who have depended on longshoremen and warehousing work to support themselves and their families have been forced seek alternative work on a full or part time basis to survive. Those who depended on part time employment in our trade have been forced to look elsewhere.

To be precise, 90 wage earners have been forced to seek alternative full or part time employment based on market and production fluctuations.

From the limited amount of information that has been made available to us, we understand construction of the proposed Kitimat Port would create a duplicate facility that would draw 90 per cent of its out going cargoes from shipments currently moving through Fairview.

We further understand the shift in port facilities from Prince Rupert to Kitimat would reduce lumber and lumber product traffic (the most labour intensive work) moving through Fairview by 50 per cent and approximately 46 man-year equivalent hours of work would be transferred from our community to the new facility. Bluntly stated, 46 full time job equivalents would be lost from our labour pool with any potential of replacement to come solely from increased activity in the lumber industry.

The impact of a loss in job availability would decimate our already diminished labour pool. If members of our work force are unwilling to move to Kitimat to live and work, or if they are unable, for any reason, to obtain employment at the new facility, they will face long term unemployment and the regional pool of trained and experienced longshoremen and warehousemen will be significantly reduced.

LIFESTYLE

Local 505 of the ILWU understands submissions to the Major Project Review Process may include all areas of concern about a proposed major project. A major concern of our membership includes lifestyle and where we will live to maintain our employment opportunities as longshoremen and warehousemen.

Many of 125 member strong labour pool have lived and worked most their adult lives in Prince Rupert. As long term residents of this community they have married, reared families, established long-term friendships and entered into major financial commitments such as the purchase of a home.

They believe disruption of their well established way of life caused by construction of a duplicate port facility at Kitimat requiring them to move to remain employed is unwarranted, unfair and unreasonable.

The situation becomes all the more unacceptable to our membership when the overall functions of the proposed port are considered. Prince Rupert is a full service port offering our work force opportunities to work their trades for a variety of cargoes, ranging from lumber and lumber products to pulp, grain and log loading. The Kitimat facility, if constructed would offer work only for the loading of lumber, greatly reducing the availability of regular employment to the warehousemen and longshoremen we represent.

It is reasonable to assume, with the limited scope of cargoes to be moved through Kitimat that the members of our work pool forced to move to maintain their employment (46 full time positions in Prince Rupert) will be reduced to mainly part time positions in Kitimat.

Other members of our local have decided to live and work in Prince Rupert as longshoremen and warehousemen because they find the mild climate and absence of heavy winter snows pleasing and desirable. These members feel a move to Kitimat, forced by the wasteful transfer of jobs from one community to the other, is a high price to pay for continued employment. Many of these members have said they would seek alternate employment rather than move. Again, this would ultimately result in a reduction of the number of workers in the ILWU work force.

SAFETY

Yet another concern voiced by members of Local 505 is safety in the work place. Our brethren believe harsh winter weather conditions in Kitimat, such as heavy icing and snow build-up on ships being loaded, port loading facilities and equipment will present significant increased work place hazards to members of the ILWU currently working in Prince Rupert.

We understand, following the accidental death of a workman involved in winter deck loading operations at Kitimat, a verbal agreement has been struck between Eurocan and its unions that prohibits deck loads during the period commencing December 1 and concluding March 31 each year.

Increased incidents of accidents and injuries caused by dangerous snow and ice conditions will impact on the ability of individual work efficiently. Injuries will cost those hurt lost wages during recovery, workers compensation charges to employers will also be increased and a larger casual labour pool will be required to assure adequate personnel are available to meet work availability.

Other safety concerns include the lack of a regular Coast Guard Port Warden at Kitimat. The function of a port warden is to inspect ships prior to loading to assure minimum safety standards are met, to over see loading operations and to inspect completed loadings and issue documentation certifying all loads, especially deck loads meet Transport Canada standards.

In the absence of a port warden, a ship's captain may be authorized to complete documentation attesting to the safety of his vessel, the safety of the loading and the safety standards of the loaded cargo. It must be noted, however, in tough economic times a ship's captain may be forced to satisfy the economic concerns of his employer rather than the safety standards of the loading operation. We are not saying this is always the case, but we are suggesting situations such as the one we are alluding to can and do, from time to time happen.

We believe allowing the potential for such an episode to occur is unfair not only to our work force, but to the shipper, shipping company and ships' captains as well.

We also wish to note, for the record, at the present time port warden's duties are carried out by Ship's Safety of the Canadian Coast Guard, based at Prince Rupert. This division has three full time employees who are qualified to carry out such safety inspections. A minimum six hour drive is required for a return trip to Kitimat to carry out the warden's duties. Increased demands for warden's services in Kitimat will reduce the availability of such services to Prince Rupert and valuable inspection time will be lost to travel time required by the Coast Guard.

The effects of climate must also be considered when reviewing potential safety of workers at a Kitimat Port facility.

Snow clearing operations will present delays in loading operations and the resulting build ups of ice, slush, snow pack and other such slippery conditions will create potentials for injury to our work force seldom experienced in Prince Rupert, where the climate is milder and the annual snowfall is considerably less.

We are also aware of the increased dangers in handling cargoes consisting of lumber and lumber products on pallets. Snow and ice build-ups on pallets reduces the number that may be stacked in each lift and reduces the stability of those lifted, if more than one is lifted at a time.

Equipment drivers, as well as those working in areas surrounding equipment in use are also at greater risk from potential mishaps resulting from snow pack, ice and slush conditions.

It stands to reason, more time will be required to load lumber and lumber products in the normal winter conditions experienced at Kitimat and deck cargo loading is already prohibited at Kitimat. Based on those two factors alone, we question the amount and regularity of work available for longshoremen and warehousemen in Kitimat in the winter season and note no such major climatic conditions restrict our work force from regular employment at Prince Rupert.

CONCLUSION

Throughout preparation of this submission we have been hindered by the lack of meaningful and useful information contained in consultants's reports to the Kitimat proponents and paid for by tax payers' money. We again wish to express our opposition to the manner in which the public hearings and MPRP is being conducted.

Although we have been allowed an opportunity to make a submission we believe we have wrongly been denied access to information necessary for the development of a thorough and meaningful submission. Specific information denied us in preparation of this submission includes socio-economic data about living and working conditions and the impact upon the families forced to move from Prince Rupert to Kitimat to maintain steady employment.

We strongly state our wish for someone to show us, beyond a reasonable doubt, or a "pie-in-the-sky" estimate how a port in Kitimat can be economically viable. We close by asking three final, simple questions.

> How can the proponents of the proposed port at Kitimat, the provincial government, the bureaucrats and the elected officials of the province justify the expenditure of $63.5 million to build a redundant port facility, take business from an existing facility and transfer 46 jobs from one community to another?
>
> If the port facility in Kitimat is such a good idea, if the viability and future potential is so great, why is no support evident from either Eurocan or Alcan, or both companies?
>
> We understand those who favor port development at Kitimat are seeking private investment and an operator for the proposed port. If the benefits of the proposed facility are so immanently apparent why have no private investors demonstrated an interest in participating in the project?

Submitted on behalf of Local 505, International Longshoremen's & Wharehousemen's Union.

W.R. Robinson

W.R. Robinson

PRESIDENT
LOCAL 505, ILWU

K-PORT #24

Prince Rupert Port Corporation
La Société du Port de Prince Rupert

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April 11, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin:

RE: PROPOSED MARINE TERMINAL, KITIMAT

Attached is our submission to the Major Project Review Process (MPRP) on the above subject.

Our submission is based solely on the Prospectus submitted by the Proponent. As you know, in common with others such as the City of Prince Rupert, we have made many efforts well before even the Prospectus was prepared (please see correspondence in Appendix F) to obtain the consultant studies on which the Prospectus is based. We have had no success until April 2, 1991, when under intense pressure from the public a few limited copies were made available in public libraries. The difficulty in obtaining the document coupled with your deadline for submission by April 12, 1991 has left about six working days to review a highly technical and complex document.

Frankly, there is no way in which we, or anyone, could do justice to the consultant's report in such short time. We are sure we do not need to point out how important this consultant study is in terms of submissions to the MPRP.

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Having had a quick look through the consultant's studies we now have even greater concerns than we did when only the Prospectus was available for review. Given the lack of time for us to prepare a detailed response, we have at this time flagged certain sections of the study as an Addendum in our submission without analysis or comment. We wish to emphasize that this course of action is taken, not because of lack of interest, but because we require a great deal more time than six days to undertake a thorough analysis.

We have grave concerns with some of the assumptions and the methodology. For example some of the assumptions made in the Benefit/Cost analysis are highly questionable, or incorrect, or both.

There are certain illogical aspects of this proposal which, quite simply, are puzzling to put it mildly. We are at a loss, for example, to understand why the Proponent, and in this case also the Provincial Government is even going ahead with the proposal when the Proponent's own consultant is saying that under the most likely scenario, the Benefits of this project are minus $17 million.

The above example is but one of the many concerns we have with this proposed project. For example nowhere in the Prospectus, which was, and is the document available to the public, (and on which this project is being justified) is there any statement that the proposed project would "lose" $17 million!

As you know we have also raised many questions both with respect to the way in which this project is being handled under the MPRP, and by the Provincial Government. We are not alone in this concern as can be seen from the numerous statements by the public and the media. As you know we have raised these concerns formally with you (please see Appendix D) and up to the time of writing we are yet to receive a reply.

In our presentation to the Provincial Cabinet Committee on Sustainable Development (CCSD) (please see Appendix A) we made a number of submissions which we believe bear repetition in this letter for emphasis.

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- the Fairview expansion was at no cost to the Provincial Government. (The same cannot be said for the Kitimat proposal).

- there will be duplication and waste if the terminal at Kitimat is built.

- it is the policy of the Provincial Government not to encourage duplication of port facilities (see Provincial Ports Policy Paper).

- the construction of a terminal at Kitimat will result in neither facility breaking even - in fact in considerable underutilization and loss.

We have started a detailed review of the consultant's report, but will need much more time to do it properly. We are prepared to make a further submission when we have concluded our review, if the MPRP decides that it would be desirable - we await your response.

In any event, we believe that the proposed project has no economic or socio-economic merit and should be rejected.

Yours sincerely,

Terrence R. Andrew, P.Eng.,
General Manager and
Chief Executive Officer

SUBMISSION BY
THE PORT OF PRINCE RUPERT
TO THE MAJOR PROJECT REVIEW PROCESS
REGARDING
PROPOSED MARINE TERMINAL AT KITIMAT

April 11, 1991

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A) Submission to CCSD
B) Press Articles
C) Extracts from Consultant's Study
D) Correspondence

EXECUTIVE SUMMARY

The following main submissions have been made in this *document:*

1. Port capacity in Northern British Columbia was inadequately addressed in the Prospectus. The Proponent has failed to show that there is either a lack of, or a need for, additional capacity well into 2015. In fact, the Proponent's own consultant shows (Chapter 10) that adequate capacity exists until 2015.

2. The proposed project cannot be justified on economic grounds. When the "most realistic" forecast compiled by the proponent's own consultant was used in a Benefit/Cost analysis, the proposal yielded a negative benefit of minus $17 million (present value).

3. The proposed project does not yield a satisfactory return on investment (ROI). The Proponent's own consultant, using even the most favourable (and highly questionable) forecast, has stated that the project will barely reach the targeted 10% after tax ROI, which is again, in the consultant's words, a low ROI. Both of the "more realistic" forecasts yield an ROI well below 10%.

4. Major environmental impact questions are unresolved and unanswered. The Proponent admits that such major issues as approval for habitat destruction and measures for their mitigation are both yet to be "confirmed" by the Ministry of the Environment, and the DFO. The project, by the Proponent's own admission cannot proceed without such approvals, so at best, the Prospectus is premature.

5. Nowhere, either in the Prospectus or the consultant's report, is there a socio-economic assessment of the impact of the loss

of 64 jobs from Prince Rupert, if half of Fairview's present traffic is diverted to Kitimat. Given that Kitimat has an unemployment rate (1986 Census) of 6.8% for males and Prince Rupert 14.9%, Prince Rupert, relatively speaking, would lose more than Kitimat would gain.

6. The Proponent states that if Kitimat was successful it could divert half of Fairview Terminal's traffic. While the Prospectus did not state the full implications of such diversion the Proponent's consultant says "if the multi-purpose terminal is constructed at Kitimat, Fairview terminal would probably operate below its full capacity throughout the forecast period." (page 3-17).

7. The Port of Prince Rupert is concerned that insufficient time was given to the public under the MPRP to review a project of this scale, especially, as is now apparent, that the Prospectus did not contain major elements of the consultant's findings and conclusions.

8. The Port of Prince Rupert contends that the timing of any new development at Kitimat is not 1994 as is being proposed. All forecasts - both the Port of Prince Rupert's and the proponents, show ample capacity well into the next century. Accordingly any new capacity, should be introduced for that time.

INTRODUCTION

The Prospectus for the Kitimat Marine Terminal Development fails to address what is the first and foremost issue behind its publication - its very rationale - i.e. the question of port capacity in Northern British Columbia, and the role and significance of such capacity in the regional and economic development of that part of the Province.

Nowhere does the Prospectus demonstrate beyond doubt that there is either a lack of, or a need for additional, port capacity in Northern British Columbia.

In fact, as shown in the following section, and detailed in Section 4, Northern British Columbia is currently well served, and ample and adequate port capacity exists to serve the Region well into the next century.

In addition, there is potential to expand existing terminals both in Kitimat and Prince Rupert. Prince Rupert also has the land and other elements required to construct new terminals.

Accordingly, and on the above basis alone, the Prospectus should be rejected as it fails to justify the creation of additional terminal capacity. Such capacity will undoubtedly be a duplication and waste of resources - compounded by the fact that the proponent is seeking public funds for a major part of the financing. In fact, the Prospectus states quite clearly that duplication will result, and to make matters worse, such overbuilding will result in a significant loss of employment and other related benefits in the Prince Rupert area. The prospectus is again deficient in that it does not analyze or present, for the information of the public, what the socio-economic impacts will be on Prince Rupert.

The Prospectus is deficient in a host of other areas which are covered in detail in this submission. We submit that some of these deficiencies are so significant in their own right that any one of them is reason enough to reject the proposal at the Prospectus stage.

Perhaps one of the most important of these deficiencies is that the Prospectus shows incredibly poor timing for the project. Several analyses of the long term regional and economic forecasts of the Northern part of British Columbia, Alberta, and Saskatchewan show significant volumes will be handled beginning late this century and into the next. In terms of the long term future, the argument is not whether a terminal should or should not be constructed at Kitimat - all signs are that a new one may be needed. We submit that the timing for such a terminal at Kitimat is either very late in this, or well into the next century. In timing their proposed project to start in 1991, the proponents have shown remarkably poor judgement.

In the body of this submission are details of some of the basic economic factors that surround and pertain to terminals. In brief, economies of scale and the advantages of marginal unit pricing make the strongest argument for the full exploitation of capacity in Prince Rupert, rather than Kitimat. The Proponents firmly state that traffic will be split. Widman Management Ltd., in their 1990 study, stated that there was not enough traffic to justify both a terminal at Kitimat and the existing one at Prince Rupert. Accordingly, on these grounds alone, we submit that the Proposal should be rejected.

One of the shortcomings in the Prospectus is the naivety of the proponents regarding both the economics of transportation charges and recent developments in the marine transportation industry. Today, load-centering is a major practice and vessels and shippers are increasingly moving away from handling cargoes in

small parcels.

Additionally, door to door through rate and through handling by a single agent, backed up by EDI (Electronic Data Interchange) and other modern tools and practices are becoming the norm. The Kitimat Prospectus does not even mention these practices, and more importantly, the high overhead cost of carrying on business in this modern way. It would be grossly uneconomic for the operation proposed for Kitimat to use these tools given the marginal traffic volumes.

The implications of a through rate will be discussed in detail later in this submission. Suffice to say that the Prospectus contains no information on the seaward charges. Basic information on distances between ports and such charges as pilotage have not been taken into account. Apart from a statement to the effect that sawmill operators and others will benefit from the proposals, there is no information on any of the above in the Prospectus.

Accordingly, we submit that the failure to seriously examine the above issues which are basic to any terminal proposal should be enough grounds to reject the proposal.

Apart from the role of the proponent, we submit that there are significant failures on the part of the Provincial Government. The Port of Prince Rupert is on record as having requested and been denied information on the consultant studies by the Honourable Dave Parker. Both the proponent and the Provincial Government continued to deny this information, until, under extreme public pressure, the information was made available in some public libraries for April 2, 1991. Even now, only some of the information is available, and the libraries only have one copy. When it is considered that the deadline for submissions is still unchanged i.e. April 12, 1991, in Victoria, it leaves only six working days to review a highly technical and complex document.

We submit that initially by deliberately withholding and denying the public access to vital information, and then releasing such information with very little time for review, the government and the proponent are denying the public the right to be informed. When it is considered that the government and the proponent profess to be seeking public input, the entire process is ridiculous. The situation is particularly galling when public funds have been used to conduct the studies and assist in preparation of the Prospectus.

We submit that the Major Project Review Process is being compromised. We believe that this is a major deficiency and the proposal should either be rejected, or at minimum, should be deferred until the public has had sufficient time to review the recent information.

The Prospectus states that major habitat loss compensation procedures being proposed by the consultants are awaiting "confirmation" by the federal agencies. Our inquiries with some of the federal agencies reveal that they have received the Prospectus, but the officials are not commenting on whether they have received a request from the proponent, or are in a position to "confirm" or deny any proposal.

Accordingly, based on the contents of the Prospectus, we submit that the project should be rejected or at least be deferred until the federal agencies' positions are a matter of public record and such information is available to the public.

In like manner the position of the officials administering the Navigable Waters Protection Act (NWPA) is not stated in the Prospectus. Since NWPA procedures also require joint action with the Environmental Assessment Review Process (EARP) this information is also required in the Prospectus. Again, on these grounds, we submit that the Prospectus is deficient and should be rejected or deferred.

In several areas the Prospectus refers to major decisions affecting the project such as access to and from Eurocan, access roads and railways, and similar issues, which are either undecided or yet to be negotiated. In this regard the Prospectus is deficient as several, if not all, these matters are related to the overall benefits and costs of the project. This unavailability in the Prospectus of such key information makes it deficient and it should be rejected.

During the two public information sessions it was clear that the proponent who chaired the meetings was not impartial, and less than open with vital information. In fact, during the Kitimat session the proponent said, in response to a question from the City of Prince Rupert, that he would not release information to the City as it would "rush off to give it to the Port of Prince Rupert". Needless to say, the public should be spared such petty and childish behaviour in what is, after all, a public process. It was also very clear that "supporters" of the proposal were given a warm reception and much time to speak, whereas those "opposed" were either cut short by the Chairman, held up to ridicule by him, or shouted down or interrupted while they were speaking. Needless to say this was a biased session and the public was not given a fair opportunity to voice its concerns.

Much more serious was the deliberate encouragement of animosity between the two communities of Kitimat and Prince Rupert. This was most evident in the public information session in Terrace when "proponents" sat in one half of the room and "opponents" in the other half with an imperceptible but clean dividing line down the middle of the room. Those responsible for such cleavage should be reminded by the MPRP that the central issue - the reason why the proponent was there - was to give the proponent an opportunity to meet the public and discuss his proposal - any other actions are irrelevant and make a mockery of the Major Project Review Process. In this regard the Chairman of the Terrace session should shoulder

some blame for the way the session was conducted. (Please see appendix B for press articles).

It is a matter of concern that no official notes were taken by the MPRP during the two public information meetings. The public were under the impression, since no advice to the contrary was given, that any questions or concerns raised at these meetings would be taken into consideration when reviewing the project. Many of these comments may therefore not be put in writing and will not be available for agency review or assessment.

The people of Prince Rupert are indeed concerned - to lose 64 jobs (Proponent's Prospectus) especially regular, well paid jobs, - is of course a matter of great concern to the community. These concerns, and more seriously their regional economic and socio-economic impacts have not been taken into account in the Prospectus. On this ground the proposal is deficient and should be rejected or deferred.

There is no information in the Prospectus regarding a terminal operator, incentives offered to attract one, and no indication of the revenues and costs of operation. Since such information is critical to an understanding of the economics, financial, and other considerations surrounding the feasibility and viability of this proposal, it should be rejected or deferred until such information is submitted.

As an overview, it is critical to understand the tenuous nature of the proposal set out in the Prospectus. Our submission shows that major areas vital to any proposed project have either not been examined, or are based on inadequate data and analyses. Major suppositions some of which are quite questionable e.g. attraction or diversion of traffic, form integral and supportive elements of this proposal.

In several key areas of the Prospectus the language is either calculated to misinform or mislead, or has the effect of doing so.

This aspect of the Prospectus will be covered in detail in the body of the submission as each case arises. Frequently the end product of such doubtful language is to convey to the public that the proposed project is much more advanced than is really the case. On these grounds the true situation should be ascertained before serious consideration of the Prospectus is given. For example, Volume 1, page 2-1 contains a statement by the proponent that the diversion of cargo from Prince Rupert will represent less than 3% of the Port's total tonnage. While this might be statistically correct, what the Prospectus misrepresents is the fact that such diversion represents half of the higher value (lumber) and labour intensive product of the Port. This deliberate misuse of information is unforgivable.

We submit that the proposal should be rejected or at least deferred until these major areas have been examined in detail.

N.B. In all ensuing discussions, any references to the Prospectus are to Volume 1, unless stated otherwise.

PORT CAPACITY IN NORTHERN B.C.

Deepsea port capacity in Northern British Columbia exists in the ports of Prince Rupert, Kitimat and Stewart. Detailed information on Prince Rupert is supplied in Table 1 below:

TABLE 1

CAPACITY AT THE PORT OF PRINCE RUPERT
(000's TONNES)

COMMODITY	PRESENT	CAPACITY	UNUSED
COAL	6,600,000	12,000,000	5,400,000
GRAIN	4,300,000	5,000,000	700,000
LUMBER	585,000	1,500,000	915,000
LOGS	277,999	N/A	N/A
SPECIALTY GRAIN	182,000	225,000	43,000
CONCENTRATES	58,000	75,000	*17,000

*Note: This is assuming that no inroads are made into forest products capacity at Fairview Terminal

Information on Kitimat is not readily available as the major facilities are privately owned. From what we have been able to learn, there is adequate capacity at Alcan, Ocelot and Eurocan.

In a 1989 demand study of the Port of Stewart done for the Ministry of Transport it was stated that Stewart could not divert cargo from other B.C. ports (e.g. Prince Rupert). This is because Stewart has a captive and dedicated market, and accordingly will not be included in this review, as it is not considered an alternative.

As can be seen from Table 1 on page 13 there is more than adequate capacity at Prince Rupert's Fairview Terminal to handle all forecast lumber well into the next century. In fact, Fairview is utilizing only about 40% of its current capacity.

No effort has been made in this submission to question the Proponent's forecasts as shown in Table 3 simply because there was not enough lead time given between receipt of the Prospectus and the deadline of April 12 for submissions. Accordingly, the Proponent's figures and forecasts will be accepted at face value for the purposes of this submission.

Technical Note: Table 3.3. of the Prospectus has been renumbered Table 3 for the purposes of this submission.

Table 3 shows that the proposed Kitimat Terminal, even with 380,000 tonnes of lumber diverted from Prince Rupert and the southern B.C. ports, is forecast to handle 578,000 tonnes of lumber and pulp by the year 2015. This capacity already exists at Fairview Terminal, and with the activation of Westview Terminal in Prince Rupert, more than adequate capacity will exist.

The issue of capacity could be seen in another light. Table 5 on page 22 was created to show truly incremental cargo, i.e. not diverted from Prince Rupert or southern B.C. ports. The Table shows that if the diverted cargo is subtracted from the Proponent's forecasts the following can be concluded.

a) that by the year 2015 the incremental cargo forecast in the Proponent's "high probability" cargoes is 158,000 tonnes, and in the "high plus moderate probability", 428,000 tonnes. As these would appear to be the most "realistic" scenarios, it is apparent that this is a very low tonnage on which to build a new terminal. If, as is more realistically the case, Prince Rupert will be able

to attract some of this cargo it leaves the proposed new terminal with even less cargo and well below economic feasibility margin.

b) If Table 5 is examined at the year 2000, in the "high plus moderate probability cargoes" it will be seen that new i.e. incremental cargo is only 200,000 tonnes, well below economic feasibility margin and also, incidentally, well within Prince Rupert's handling capacity.

One conclusion is that a terminal at Kitimat should not even be considered before the year 2000, if at all. If one looks at the "high probability cargoes" forecast for the year 2000, the picture for a new terminal is far worse, i.e. 132,000 tonnes of new cargo, again well within Fairview's capacity.

As a general observation, it can be seen from Table 5 (incremental cargoes) that the tonnages for the early years i.e. 1994 onwards are minimal. The financial implications of this traffic pattern are discussed in Section 4 - Detailed Review of Prospectus.

FUTURE POTENTIAL

Fairview Terminal has significant potential to expand to at least 25% more of its existing capacity. In addition the Port of Prince Rupert could bring into operation its 6 hectare Westview site.

CARGO FORECASTS

The following section deals with Table 3, and page 2-1 in the Prospectus, and a table (to be referred to as Table 2 in this submission) containing forecasts by the Port of Prince Rupert, and by Widman Management Ltd. consultants to the Port of Prince Rupert.

Table 2 shows both the forecasts by the Widman studies and the Port, and also a superimposition of the actual traffic for the years 1986 through 1990. It can be noted that traffic peaked in 1988 and is now on a downward trend.

As a preliminary observation neither of the consultants gives the total potential - only what, in the opinion of each, could be attracted to each terminal. However, when the Widman studies were done, the only Northern B.C. port being considered was the Port of Prince Rupert (Kitimat was not a consideration). It can be assumed that the Widman studies reasonably reflect the traffic potential in the hinterland. Accordingly, for this discussion the Widman forecasts reflect the full hinterland traffic for lumber. This forecast is similar to that contained in the Prospectus (Table 3) for lumber.

TABLE 2

Port of Prince Rupert

Fairview Terminal Forest Products Forecast - Metric Tonnes (000's)

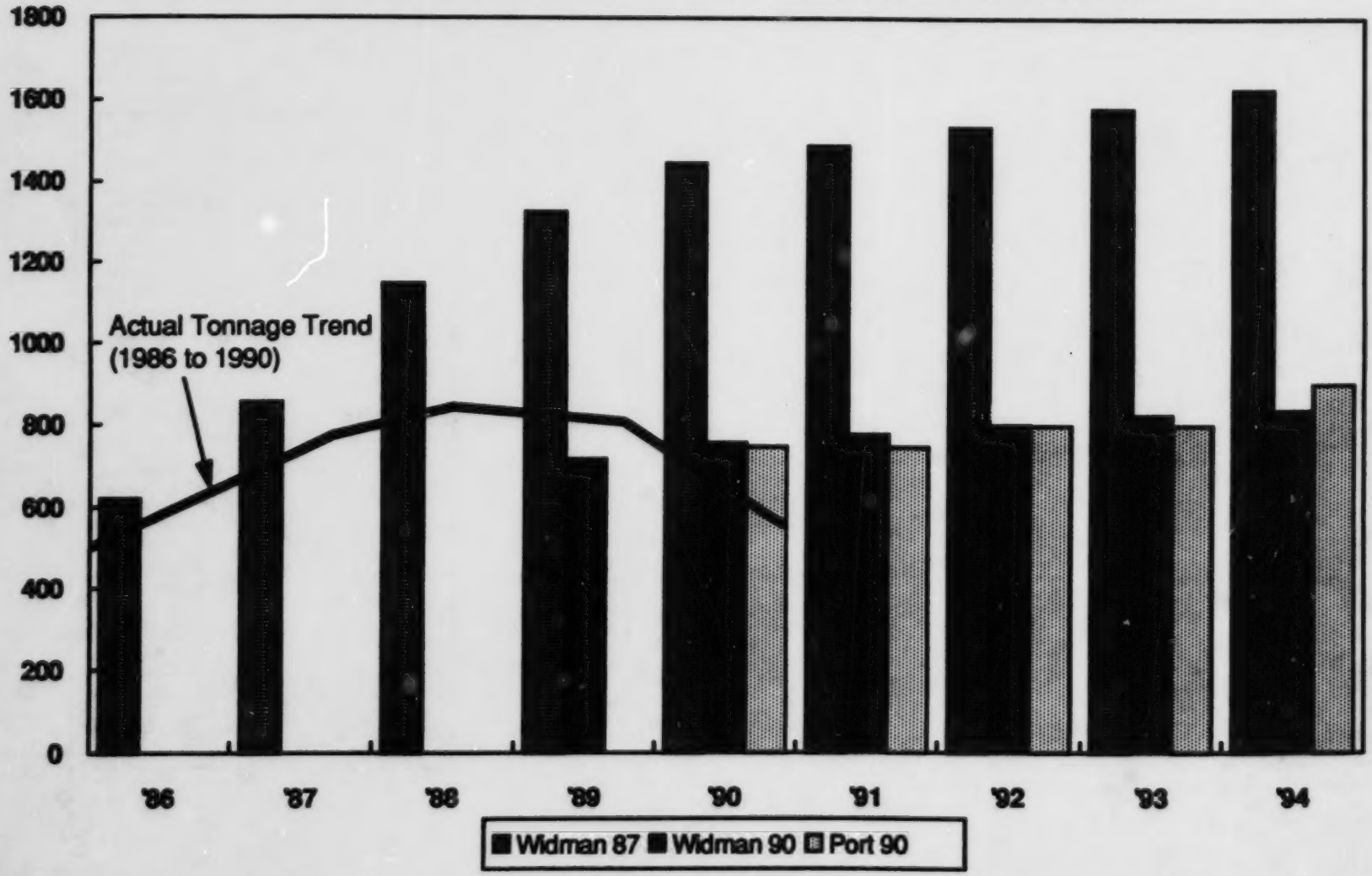


TABLE 3

Table 3.3 - Summary of Marine Terminal Cargo Forecasts	Year										
	1994	1995	1996	1997	1998	1999	2000	2001	2005	2010	2015
High Probability Cargoes	1	2	3	4	5	6	7	8	12	17	22
Lumber (MMFBM)											
Gross Measure	448	460	472	485	498	511	523	540	554	554	554
Net Measure	366	376	386	396	407	417	428	441	453	453	453
Containers (boxes)	0	0	0	0	0	0	0	0	0	0	0
Tonnages (000 tonnes)											
Lumber	379	389	399	409	421	431	442	455	468	468	468
Pulp	-	-	110	110	110	110	110	110	110	110	110
Copper	-	-	-	-	-	-	-	-	-	-	-
Aluminum	-	-	-	-	-	-	-	-	-	-	-
Bagged Fertilizer	-	-	-	-	-	-	-	-	-	-	-
General Cargo	-	-	-	-	-	-	-	-	-	-	-
Containers	-	-	-	-	-	-	-	-	-	-	-
Total	379	389	509	519	531	541	552	565	578	578	578
High Plus Moderate Probability Cargoes											
Lumber (MMFBM)											
Gross Measure	448	460	472	485	498	511	523	540	554	554	554
Net Measure	366	376	386	396	407	417	428	441	453	453	453
Containers (boxes)	0	0	0	0	0	0	0	0	0	0	0
Tonnages (000 tonnes)											
Lumber	379	389	399	409	421	431	442	455	468	468	468
Pulp	-	-	144	144	144	144	144	334	334	334	334
Copper	-	-	-	-	-	-	-	-	-	-	-
Aluminum	-	-	-	-	-	-	-	-	-	-	-
Bagged Fertilizer	-	-	-	-	-	-	-	-	-	-	-
General Cargo	30	31	31	32	32	33	34	34	37	41	46
Containers	-	-	-	-	-	-	-	-	-	-	-
Total	409	420	574	585	597	608	620	823	839	843	848
High Plus Moderate and Low Probability Cargoes											
Lumber (MMFBM)											
Gross Measure	448	460	472	485	498	511	523	540	554	554	554
Net Measure	366	376	386	396	407	417	428	441	453	453	453
Containers (boxes)	0	0	0	333	333	333	333	400	467	533	733
Tonnages (000 tonnes)											
Lumber	379	389	399	409	421	431	442	455	468	468	468
Pulp	-	-	229	229	229	229	229	334	334	334	334
Copper	-	-	150	150	150	150	150	150	150	150	150
Aluminum	-	-	-	-	-	-	-	160	160	160	160
Bagged Fertilizer	-	-	100	100	100	100	100	100	100	100	100
General Cargo	30	31	31	32	32	33	34	34	37	41	46
Containers	-	-	-	5	5	5	5	6	7	8	11
Total	409	420	909	925	937	948	960	1,239	1,256	1,261	1,269

Source: Estimated by Price Waterhouse and Sandwell Inc.

ANALYSIS

Page 2.1 of the Prospectus states that an estimated 300,000 tonnes of lumber could be diverted from Prince Rupert and 80,000 tonnes of lumber from southern B.C. ports for a total of 380,000 tonnes.

Table 3 from the Prospectus shows that the proposed terminal at Kitimat will attract 379,000 tonnes of lumber in 1994, rising to 468,000 tonnes by 2005, and thereon the same amount to 2015.

If 380,000 tonnes of diverted lumber becomes permanently diverted then the only incremental, i.e. new lumber cargo is the difference between the tonnages shown in Table 3, and 380,000 tonnes of diverted cargo. Accordingly using Table 3 as a base we have created Table 4 to reflect the incremental, i.e. new traffic.

With regard to the traffic potential shown in the Prospectus, it is critical to understand that there is no guarantee:

a) That existing traffic will be diverted to Kitimat
b) that any new or incremental traffic will go to Kitimat

N.B. They are forecasts and should be so regarded.

TABLE 4

PROPOSED KITIMAT MARINE TERMINAL

INCREMENTAL LUMBER CARGO
000'S TONNES

CARGO	1994	1995	1996	1997	1998	1999	2000	2001	2005	2010	2015
Lumber	0	9	19	29	41	51	62	75	88	88	88

Technical Note: This is the forecast of Table 3, less diversion from Prince Rupert and southern B.C. Ports (380,000 tonnes).

In like manner with regard to the traffic forecast in Table 3 the following are key considerations:

a) that all traffic being forecast is unknown - the proponent is assuming, for example, that a copper smelter will be built in Kitimat.

b) That new traffic of all the kinds in the forecast will go to Kitimat. The proponent does not have firm contracts, nor guarantees, or at least does not state in the Prospectus that at minimum, he has letters of commitment or similar from potential shippers.

N.B. No attempt has been made by Port of Prince Rupert to verify the Proponent's forecast simply because of too short notice, and accordingly the forecast in the Prospectus is accepted at face value.

Assuming that the volumes forecast will go to the terminal at Kitimat, Table 5 on page 22 has been created to show what portion of that traffic is incremental, i.e. new, and not diverted from other British Columbia ports. The format of Table 3 was adopted and all cargoes diverted from B.C. port were subtracted to create the incremental cargo. This includes 300,000 tonnes of lumber from Prince Rupert, and 80,000 of lumber and 40,000 tonnes of pulp from southern B.C. ports.

Seen in a different light, the following impact will occur on the Port of Prince Rupert if it loses the 300,000 tonnes of lumber to Kitimat from 1994 onwards as shown in Table 6. It can be

TABLE 5
PROPOSED KITIMAT MARINE TERMINAL
INCREMENTAL CARGOES, ALL COMMODITIES
000'S TONNES

CARGOES	1994	1995	1996	1997	1998	1999	2000	2001	2005	2010	2015
HIGH PROBABILITY CARGOES											
Lumber	0	9	19	29	41	51	62	75	88	88	88
Pulp	0	0	70	70	70	70	70	70	70	70	70
Total	0	0	89	99	111	121	132	145	158	158	158
HIGH PLUS MODERATE PROBABILITY CARGOES											
Lumber	0	19	9	29	41	51	62	75	88	88	88
Pulp	0	0	104	104	104	104	104	294	294	294	294
General Cargo	30	31	31	32	32	33	34	34	37	41	46
Total	30	40	154	165	177	188	200	403	419	423	428
HIGH PLUS MODERATE PLUS LOW PROBABILITY CARGOES											
Lumber	0	9	19	29	41	51	62	75	88	88	88
Pulp	0	0	189	189	189	189	189	294	294	294	294
Copper	0	0	150	150	150	150	150	150	150	150	150
Aluminum	0	0	0	0	0	0	0	160	160	160	160
Bagged Fertilizer	0	0	100	100	100	100	100	100	100	100	100
General Cargo	30	31	31	32	32	33	34	34	37	41	46
Containers	0	0	0	5	5	5	5	6	7	8	11
Total	30	40	489	505	517	528	540	819	836	841	849

Technical Notes: Based on Table 3.3 cargo is incremental i.e. based on forecast of Table 3.3 less diversion from Prince Rupert and southern B.C. ports [380,000 tonnes lumber and 40,000 tonnes pulp].

TABLE 6

LUMBER FORECASTS FOR FAIRVIEW TERMINAL
(000'S TONNES)

	1994	1995	1996	1997	1998	1999	2000	2001	2005	2010	2015
FORECAST A	837	849	860	872	884	896	906	921	933	933	933
LESS DIVERSION	300	300	300	300	300	300	300	300	300	300	300
NET	537	549	560	572	584	596	606	621	633	633	633
FORECAST B	900	912	924	938	950	962	974	990	1004	1004	1004
LESS DIVERSION	300	300	300	300	300	300	300	300	300	300	300
NET	600	612	624	638	650	662	674	690	704	704	704

Technical Note: This table was constructed by taking for Forecast A the 1994 Widman forecast and projecting it by the increases for each year up to 2015 according to the ratio of increase used by the proponent. The increase was, however, halved on the assumption that Kitimat would get half of the increase and Prince Rupert half. The projections were also reduced by 300,000 tonnes per annum on the basis that the Proponent claims such amount would be diverted from Prince Rupert to Kitimat. A similar exercise was done for Forecast B, using the Port's 1994 forecast.

assumed that some incremental cargo will go to Prince Rupert despite the proponent's claim that Kitimat will have a cost advantage. Accordingly, it is being assumed that the increase will occur as forecast in Table 3, but that only half of the increase will go to Prince Rupert.

DETAILED REVIEW OF PROSPECTUS

Before undertaking the actual review of the Prospectus it is noteworthy that the way in which it has been prepared gives rise to confusion. Information and data vital to the review are either missing altogether, not included in the proper context, or presented in several places in the document so that a major search and compilation is required to obtain the true picture. While by itself this is not a major issue or problem, the end product is misleading or at best confusing. In addition, given the very tight deadline for submission, this complex document detracts from the ability to review it effectively.

As an example of the above, nowhere in the Prospectus is there a presentation of the true cost of the proposed project - this matter is covered in detail later in this section.

The Port of Prince Rupert submits that this manner of presentation is either a deliberate act on the part of proponent to mislead, or is at best calculated to make it very difficult to review. This is all the more unacceptable when it is considered that some $400,000.00 of public funds have been used to make it possible.

We submit that this is a major deficiency of this proposal and therefore should be rejected, or prepared in a manner more conducive to review, and then re-submitted.

Given the confused nature of the proponent's presentation, perhaps the most practical way to review the proposal is to examine it under three major, though inter-related, contexts ie:

A. Regional Economic and Social Benefits/Costs and Impacts
B. Proposed project on its own merits ie: "stand alone"
C. Other aspects not covered in A or B

A. Regional Economic and Social Benefits/Costs and Impacts

The Prospectus does not contain a definition of what constitutes the Northern Region of British Columbia. However, the methodology section of Norecol Environmental Consultants Ltd. who conducted the socio-economic assessment states "the assessment was based on interviews with concerned agencies in Kitimat, Terrace and Prince Rupert" (Vol 1: Section 4.1, page 4.1). Accordingly, for the purposes of this submission, Prince Rupert will be regarded as an integral part of the assessment of socio-economic benefits/costs and impacts of the region.

In the Prospectus, Alberta was mentioned as a likely source of traffic. No analysis of the Alberta situation will be done in this socio-economic assessment, though its potential as an economic generator is acknowledged.

A review of regional socio-economic benefits and costs should commence with what is in existence and/or non-existent in the region, and then the benefits/costs of incremental inputs. In the case of the proposed project, it would also be of interest to know how facilities in the region were created. The review will commence with Fairview Terminal in Prince Rupert as it is still the only general cargo terminal in the region.

Since there is confusion in the Prospectus as to what are economic impacts as distinct from economic benefits, this submission will draw a clear line between these distinct economic variables.

Fairview Terminal was constructed as a result of appreciation by the federal and provincial governments of the need to provide adequate, efficient and cost-effective general cargo marine terminal facilities to serve regional and economic development goals of Northern British Columbia. A Federal-Provincial Agreement

in Principle was signed in July 1973. Though it was not anywhere stated in the Agreement it can be assumed that the economic benefits envisaged at that time were:

a) transportation cost savings for Northern British Columbia industries faced with a long haul to Southern British Columbia ports.

b) the catalytic effect of cost-effective transportation for new industries, and expansion of existing ones.

c) provision of adequate and "purpose-built" general cargo facilities allowing for increased productivity, and economies of scale and specialization.

d) the economies of both long and short haul, using both highway and railway modes, especially the British Columbia Railway.

The main economic and socio-economic impacts were:

i) creation of employment opportunities at the terminal itself, and in industries dependant upon and related to the terminal.

ii) creation of employment opportunities during construction.

The Agreement in Principle recognized the need to support such a terminal by obliging the British Columbia government to encourage economic activity and for industry thus created to utilize the terminal. The Agreement also required British Columbia to agree that "port competition will not be established on the Northern British Columbia coast" (Agreement). The Agreement also obliged British Columbia to agree that the "guarantee concerning port

competition to remain in effect for such period as is necessary to establish Prince Rupert as a viable and complete port entity", and that the "guarantee was not to exceed 15 years" (Agreement).

Accordingly the guarantee expired in 1988.

The Agreement is being discussed in some detail because of its major implications not only for Fairview Terminal, but for terminal development as a whole in Northern British Columbia.

Fairview has been, and is currently instrumental in providing significant economic benefits to shippers in Northern British Columbia, in terms of transportation cost savings and the other economic benefits mentioned above. In an effort to continue to provide benefits and to "establish (itself) as a viable and complete port entity" (Agreement), Fairview has been expanded to create capacity for forecast future growth. This expansion was completed in 1990 at a cost of $34 million. Fairview had forecast, and is now depending on, an increase in throughput to recover the $34 million expansion costs. At the very minimum Fairview requires at least to retain its current traffic to avoid drastic financial loss and inability to repay its debt.

As long as Fairview only has to face fair competition it will have no difficulty to continue to offer cost savings over and above any other terminal in or out of the region, and maintain its viability. However, as will be shown later in this section the proposed terminal at Kitimat will be unable to cover its development costs without substantial subsidies from the Provincial government. If the Kitimat Terminal were to take all of its development costs into consideration, it would be unable to attract traffic away from Prince Rupert on grounds of cost savings alone. (Please see section B.)

Accordingly the significance of the discussion of the Agreement is now apparent. The Provincial government would be reneging on its undertaking under the Agreement, if it provided a subsidy or financial assistance to the proposed Kitimat Terminal to allow it to detract from the viability of the Fairview Terminal. Quite apart from the Agreement, it makes no economic sense for the Province to subsidize a development which would detract from a viable facility which is also, incidentally, meeting all requirements for present and future general cargo capacity. The Province would do well to consider the opportunity cost of such support.

In addition, the Port of Prince Rupert submits that there is a major obligation on the part of the federal government to ensure that the Province does not unilaterally destroy the development opportunities mutually created by the two governments.

In terms of Benefit/Cost analysis for the region the "cost" of any diversion from one port to another has to be taken into account. Accordingly, to avoid double counting of "benefits" the proposed terminal has to subtract from its "benefits" all such diverted cargo. Table 5 on page 22 shows that when such cargo is removed from the Proponent's forecast, (Table 3) the volume of traffic is marginal. Table 6 on page 23 shows that when diversions are taken into account (using the Port's and Widman's forecasts) the traffic left for Prince Rupert becomes quite marginal. The conclusion is that both ports will be uneconomic.

Economic and Social Impacts

To avoid duplication in this submission the regional economic and social impacts are discussed in Section B where the "stand alone" analysis of the proposed project is presented.

B. Proposed Project on its own Merits ie: "Stand Alone"

The following format will be followed in analyzing the economic and social benefits/costs and impacts of the Kitimat Marine Terminal Proposal:

i) Capital cost estimates
ii) Economic justification
iii) Socio-economic impacts assessment
iv) Environmental assessment

i) Capital cost estimates:

Nowhere in the prospectus is there a statement of the true capital cost of the proposed project. Table 7.1 (Vol. 1, pages 2-16) purports to provide this information but the following major costs are not included in the table.

a) access railway: Estimated cost $3,225,740
additional cost if constructed
on a separate embankment $ 200,000
Source: Page 2-17, Vol. 1

b) land acquisition, rights of way, and waterlots (p. 2-15, vol. 1). No estimate given for this item.

c) maintenance dredging (p. 2-11, Vol 1).
No estimate given for this item. No statement as to whether such dredging will be approved by the Ministries of Environment and DFO.

d) In a number of areas, certain alternatives are being proposed subject to negotiations with Eurocan. Depending on the outcome of these negotiations, the project may or may not face significant cost increases. Some of these are:

-terminal causeway: the proposed causeway is to "stay on the existing Eurocan fill adjacent to their haul road. The alternative would be to fill and cross the adjacent marsh a highly environmentally sensitive area by a pile supported trestle" (D.F.O. requirement). Pages 2-10 and 2-11, Volume 1. The consultants state that crossing the marsh according to D.F.O. requirements would be "10 times the cost of a fill causeway and is not therefore financially feasible" (page 2-11, Vol. 1). Apart from the negotiation with Eurocan, it is not known also whether D.F.O. will accept the proposal.

-potable water: the proposed potable water system is to use Eurocan's supply. "This approach is proposed subject to negotiation of a suitable supply arrangement with Eurocan." (page 2-14, Vol. 1). No cost estimates are provided.

-Environmental Impacts and Mitigation/Compensation: while cost estimates appear for these items, it is not known whether the proposal will be accepted, and whether the compensation estimates represent the true cost of the mitigative measures.

-Access Road: Page 2-7 vol.1 discusses a so-called "port access road", being evaluated in a preliminary design study commissioned by the Ministry of Transportation and Highways. The Prospectus does not state how this road will be funded. If shared by other port users, then at least the portion shared by the proposed terminal should be for the account of the proposed terminal. No cost estimates are provided.

Conclusions:

From the known cost estimates at least $3.5 million should be added to the costs shown in Table 7.1. It is likely that the "unknown" elements may add yet more.

In any case the true capital costs are yet to be determined.

ii) Economic justification

During the public information sessions the proponent declared that benefit/cost analyses of the proposed project were done but he was not prepared to release the information. No such information appeared in the Prospectus except statements about certain benefits and impacts that were, at best, questionable.

Accordingly, the Port of Prince Rupert had already commenced to do, and were well into such analysis, when the Proponent, under public pressure, finally released the consultant's studies, but with less than six working days available for review.

Recognizing that different approaches and different methodologies may be applied in benefit/cost analyses, the Port has suspended its own analysis at this time on the basis that the consultant's is now available, and also that more than one benefit/cost analysis may be dysfunctional to the review process.

Accordingly, the Port will comment on the consultant's analysis as contained in Section 10, pages 10-1 to 10-16, and tables 10-1 to 10-6. If deemed necessary by the MPRP, the Port will re-activate its own analysis.

N.B. We have one major caveat, and that is that the following analysis and comments are based on the consultant's assumptions and methodology. Several of these assumptions are either questionable,

or incorrect, or both. For example major assumptions are made about the proposed terminal's ability to attract lumber, pulp and other products in the face of what is bound to be stiff competition from Prince Rupert. Also major benefits are assumed for the copper smelter and heavy industry, and factored in early in the benefit stream of the analysis. There is considerable uncertainty over the smelter "the probability of a copper smelter evolving is low" (p.10-4) and heavy industry; assuming either occurs, informed opinion is that it is unlikely to do so as early as assumed in the analysis.

While there are several others too many to be mentioned, the assumptions about trucking costs certainly need to be questioned. The consultant claims that trucking costs instead of trucking freight rates were used in the analysis "because general experience in B.C. suggests that trucking rates do not reflect trucking costs for a variety of competitive reasons". (p.10-2)

We have the following observations:

a) Since trucking competition, and competition between the proposed terminal and Prince Rupert are major factors in this analysis, why did the consultants not use the actual competitive rates? We find their explanation untenable.

b) Since savings in trucking costs are one of the major benefits for the justification of the proposed terminal, it is certainly more advantageous to the Proponent's case to use the higher figure of $265-267 trucking cost, than the lower quoted tariffs of $160-200 per trip (consultant's figures p.2-10).

Analysis: Table 10-3 shows that with a one-berth terminal in conjunction with forecast 1 of the consultant (which is the "highest probability" forecast of the consultant) the following result is achieved.

	(000's)
Present Value of Benefits	$32,503
Present Value of Costs	$49,215
Net Benefits/Loss	(16,712)

Observations

Nearly $17 million will be "lost" as a result of construction of the proposed terminal.

With reference to the above, the submission of the Port of Prince Rupert is in the form of two questions:

i) Why would anyone proceed with a terminal showing a negative present value of minus $17 million?

ii) Why would the Province of British Columbia invest, as is being suggested by the proponent, many millions of taxpayers' money in a losing proposition?

The consultant in Table 10-5 combines the one berth with Forecast 3, which is the most generous forecast for the proposed terminal, but also the least likely in terms of probability. This table describes as benefits the following:

	(000's)
Avoided Fairview Expansion cost	$27,621
Land Transportation Benefits to heavy industry	20,970
Bulk Barge Benefits to heavy industry	10,235
Total	58,826

Observations:

i) If the above three benefits were excluded, the situation would nearly revert to Table 10-3 dimensions i.e. a "loss" of $17 million.

ii) Figure 10-1 shows the impact of the timing of the smelter startup. As can be seen from this figure benefits decline sharply for each year that the smelter does not come on stream. For example the significance of the purely speculative nature of this analysis of benefits is demonstrated by the fact that if the smelter starts up one year later i.e. in 1997, $4 million will have to be deducted from the $24 million shown in benefits. Rapid decline continues with each year the project does not evolve. Several assumptions such as rail upgrading are included in Forecast 3. The forecast indulges in the classical chicken/egg syndrome - if the railway is improved, the terminal will attract the traffic. Ironically, the CN has publicly stated that only if the traffic is available will the line be upgraded.

Forecast 3 grasps at straws, and at times it is completely out of line. For example it forecasts 160,000 tonnes of Alcan product by year 2000 (p.3-7), but goes on to say "according to company representatives, the likelihood of Alcan using a third party terminal is very small" (p.3-7) and elsewhere, and far more revealing and ridiculous, the following statement about this same product is made. "While Alcan has said that <u>they definitely would not use a public port terminal</u> (our emphasis), the situation may change in the future. A low probability has been assigned to the evolution of some aluminum ingot beyond the year 2000" (p.3-10). We find it ridiculous that the consultant would include in his forecast, a commodity which the owner says they would <u>definitely</u> not ship over a public terminal.

The above example was given in some length because it is reflective of all the assumptions made by the consultant about "low probability" cargoes. As a further example the consultant makes the following statement "while the copper smelter ... was judged to have a low probability of occuring,

the probability of some currently unspecified plant with comparable characteristics of cargo generation is higher (our emphasis) (p.3-9). It is difficult to treat seriously such vague and unsubstantiated statements: however, when they are seriously advanced as "low probability cargoes" for forecast 3, it discounts any degree of seriousness.

Accordingly we submit that Forecast 3 should be entirely disregarded, and any such benefits that stem from using this forecast should be completely rejected.

Accordingly, the Port of Prince Rupert submits that the benefits for Forecast 3 are too speculative, the assumptions largely improbable, and should be ignored.

N.B. In a more general observation, the Port of Prince Rupert has done rough calculations using the Proponent's forecast 2 - "high and moderate probability" with a one-berth terminal. The net benefits in this scenario are negative. It is interesting that the consultant has not included this calculation in his report.

iii) Socio economic impacts assessment

This section will deal with the regional socio-economic impacts of the proposal.

Volume 1 page 4-2 of the Prospectus contains the following statement:

> "Approximately 300,000 tonnes of lumber is expected to be diverted from Prince Rupert in the initial stage of the operation. This is estimated to result in a shift of 40 full time jobs for terminal and stevedoring labour. Using the same multiplier assumed for Kitimat, a further 24 induced jobs are expected to be affected."

The Prospectus contains no analysis of the socio-economic impact of such job loss in Prince Rupert, nor does it discuss the net socio-economic benefits or costs of such job diversions.

In fact, on the question of employment, the most recent information available from StatsCan is the 1986 Census. Under the section dealing with labour activity, the unemployment rate for males was as follows: Kitimat 6.8%

Prince Rupert 14.9%

With an unemployment rate that is already so high, as shown above, it is clear that the loss of jobs in Prince Rupert will have a much more drastic effect on Prince Rupert than would be the relative gain to Kitimat if those Prince Rupert jobs were to be diverted to Kitimat.

Volume 1 page 4.2 of the Prospectus deals with the supply and availability of labour. However, this section is silent on the union implications of a general cargo terminal in Kitimat. For example, will it be staffed with members of the International Longshoremen and Warehousemen's Union (ILWU)? What, if any, are the impacts on the other terminals in Kitimat i.e. Alcan, Eurocan, and Ocelot? Have the various unions been consulted? Have Alcan, Eurocan and Ocelot been consulted, and what are their views?

Footnote: Financial Analyses

This footnote is added as a supplement to the economic benefit/cost analyses and comments above.

The Proponent's consultant concluded that even with an after tax real rate of return on investment (ROI) of 10% (which the consultant states "may be on the low side for corporate investment") the following situations exist, assuming the terminal is developed by a private developer.

- a single berth combined with either Forecast 1 or Forecast 2 will yield an ROI significantly below 10%. In fact,

  Forecast 1 = 7.6% before tax and 3.7% after tax

  Forecast 2 = 9.9% before tax and 5.3% after tax

  It will be recalled that Forecast 1 is "high probability" and Forecast 3 "high, plus moderate plus low probability". In Forecast 3 the "after tax rate of return just meets the 10% target" (p.11-14). The concerns about Forecast 3 have already been expressed; however, even with such generous allowances for traffic the financial return is below expectations.

The above results are presented in a dramatic manner in the Synopsis of the consultant's report which reads thus:

> "The analyses of Sections 11.3 and 11.4 above have shown that the Kitimat Marine Terminal would not be attractive to a private developer under the conditions of Forecasts 1 and 2 if he had to pay the full costs of site development. Although the terminal would be an attractive investment under Forecast 3 conditions, the low probability of this case would cause a private company to discount its prospects.
>
> The discussion in Section 11.5 showed that the government could provide the infrastructure and lease it under terms that make the terminal financially attractive to a developer. Although the annual lease rate would be subject to negotiation and depend in part on the outlook and strategic considerations of the developers bidding for the terminal, it would most likely be less than that of a normal commercial lease. Leasing does provide a mechanism to get a private terminal in place in the near future to provide a strategic link in the development potential of the Terrace-Kitimat industrial lands.

The consultant's observations that "leasing does provide a mechanism to get a private terminal in place" (see above)... is remarkable for obfuscation. Read another way, this is simply a pitch for a subsidy - for the Government to subsidize an operation which "would cause a private company to discount its prospects" (see above).

Observation: This aspect of the proposal i.e. its wholesale dependence on a Government handout pervades the entire proposal, and it should be rejected on these grounds.

(iv) Environmental Assessment

Throughout the Prospectus references are made to the impact of the proposed terminal on the environment, especially fish and wildlife. In fact a major condition of the acceptance or rejection of the proposal - its very feasibility - is whether the Department of Fisheries and Oceans, and the Federal and Provincial Ministries of the Environment will accept the proposed project, and especially its suggested procedures for compensation for habitat destruction. Other major environmental aspects are also not examined.

It is also well-known that all these Ministries take very seriously the wide area of public concern, and the Port of Prince Rupert has confidence that the officials from these and other line Ministries will give the many elements of public concern expressed by the Port, and the public, serious attention.

The Port of Prince Rupert is not qualified to evaluate environmental issues, and would be relying on the line federal and provincial ministries to examine these matters. Accordingly, the following extracts from the Prospectus are raised to draw attention to some of these concerns that we believe have not been addressed.

Undoubtedly the officials concerned will be addressing these issues much more seriously and rigorously.

Volume 2: P.(v)

"Impact to fisheries and waterfowl habitat would be moderate to severe but could (our emphasis) be compensated for by creation of marsh habitat"

Vol.1: P.(iii)

"Environmental assessment of the project has been carried out and shows that marine habitat lost at the terminal site can be fully offset by habitat compensation works".

Volume 2: P.(v)

"The acceptability of this proposed habitat compensation approach has yet to be confirmed with environmental agencies".

The last two quotations give rise to the following concerns.

a) the proponent has not made it clear that the environmental assessment referred to was done by its own consultants, and not by a responsible federal or provincial government agency.

b) In addition, the proponent has not made it clear that the habitat compensation works being proposed are an expression of opinion by its own consultants, and again, not by a responsible agency.

Finally, the statement that the proposed habitat compensation approach has yet to be "confirmed" (Proponent's word) with environmental agencies is misleading, as it suggests that the process is far more advanced than may actually be the case. No mention has been made of the project even being "submitted" to the

federal and provincial agencies, or that it was under "review" by such agencies.

The Port of Prince Rupert has obtained the DFO study referred to in the Prospectus. The study was in fact done because of the great concern of DFO that salmon stocks in the Kitimat River were declining. Some of the sections of this report are worth reproducing as an indication of DFO's concerns. The report is entitled: "A Survey of Fish Distributions and Recommendations for Habitat Management of the Kitimat Estuary, British Columbia, 1985, and was done by Mr. U.N. Orr of Northern Operations, Habitat Management, Prince Rupert, B.C.

1.0 Introduction

"During the same period of time (i.e. the 70's), Kitimat salmon stocks continued their downward trend."

Introduction: P.2

"overfishing, extensive logging and industrial development (our emphasis) were cited as causes.

" "wild" Kitimat stocks could be affected by habitat reduction through foreshore development eastward of the Eurocan causeway" etc.

N.B. this is the proposed area for terminal development.

Introduction: P.3

After stating that it is DFO's policy to maintain traditional fish harvesting operations through natural reproduction and rearing (DFO, "Toward a fish habitat management policy" Ottawa, 1983) the study states "present and future management of the Kitimat estuary must ensure there is an adequate habitat base" etc.

Page 16

"There are a number of important questions regarding fish habitat in the Kitimat estuary which this study did not address due to limited resources. The unaltered tidal channel marsh habitat located in the upper intertidal zone immediately to the northeast of the present Eurocan causeway was not sampled. Habitat such as this is important to juvenile salmonids and very difficult to replace through mitigation methods. (emphasis ours)

In the light of all the above considerations, the Port of Prince Rupert submits that the proposal should be rejected until such time as the proper studies are conducted and environmental impacts clearly understood. Since environmental approval is critical and vital to the proposed project it is premature to proceed any further until such approval has been obtained.

As an aside, if funds are a limiting factor for DFO the proponent should be required to provide such funds to the DFO as part of the project feasibility costs.

At this time and in the context of this study by DFO, we wish to raise a practice of the proponent to which we have already referred, i.e. possible misuse or misinterpretation of information. The Prospectus states that DFO has indicated that this area is suitable for development. However, the Prospectus nowhere clearly states that the proposed terminal will exceed the area considered by the DFO study.

In the context of the objectives of the DFO report, we have the following questions for the proponent, but more specifically, the DFO.

a) Was the report by DFO intended in any way to encourage, justify or authorize the use of that portion of the estuary for port purposes?

b) Do the conclusions of the DFO give a clear indication that the Estuary could be used as the proponent describes?

c) Did DFO give anyone a letter, or any other formal communication, of conditional approval for use of the Estuary in the manner described by the Proponent?

We are sure that the DFO will have many more questions of its own and we look forward to their investigation and response.

Section C:

Other aspects Not Covered in Section A and B

Project Justification:

It is frequently tempting to state that a terminal may be able to attract another terminal's business simply by offering cost savings. Undoubtedly, cost savings are by far the greatest incentive to a shipper to utilize a terminal. However, there are several other variables, especially in the marine business that can be as significant as costs savings in influencing a shipper to use a terminal.

One such variable is reliability - can the shipper count on the terminal to be "professional" by giving the shipper's goods the required attention he/she feels it deserves? United States ports are showing a great example in this regard and by offering "service" , are able to attract a significant amount of Canadian cargo.

Reputation and goodwill are also significant variables as is "experience". Generally a more established terminal has an edge in these respects over a new terminal.

The Port of Prince Rupert is confident that it has demonstrated these qualities.

Another major consideration is the impact of weather on terminal operations. Heavy snowfall can have a major impact on the efficiency of handling lumber. While the proponent has alluded to snow removal, no consideration has been given to handling cargo in a frozen state. This has a severe impact on safety and costs.

Economics of Competition:

The prospectus assumes that the Kitimat Marine Terminal will have a cost advantage over Prince Rupert. It also makes the following statements (Please see Page (iv), Volume 1)

a) "The new terminal at Kitimat should (our emphasis) result in more competition between road and rail transportation, and should (our emphasis) result in greater efficiency for both modes."

Comment: the above statement is dubious and vague and has no place in this submission as it is purely speculative. No proof is given. In any event, it is not necessary to build a new terminal at Kitimat to encourage competition between the road and rail modes. Such competition is a wellknown fact in the industry, and currently occurs between the transportation modes serving Prince Rupert. Length of haul, volumes, specialization etc., are far more important variables and continually influence competition between the road and rail modes.

b) "The Kitimat terminal will provide redundancy of port services in the Northwest. If the operation of one port is disrupted for some reason, the other will be able to handle some of the affected cargo."

Comment: We do not know what "provide redundancy" means. However

the observation is purely theoretical and somewhat naive, as it assumes a flexibility and capacity to divert cargo which may not be easily achieved. For example if the "some reason" is a labour management dispute, (strike or lockout) the cargo may be declared "hot" and not handled. Another example might be a temporary interruption of transportation service e.g. snowslides. Because there is a temporary interruption of cargo flow to any one port it does not follow that such cargo could automatically or easily be diverted to the other. Ordinarily, cargo is assembled well before the arrival of the vessel.

c) Increased competition between Kitimat and Prince Rupert <u>should</u> (our emphasis) result in savings to users of both ports.

Comment: As in previous comments above, this is again speculative. One could speculate as well that if such competition results in cross-subsidization it may well cause some users to pay more to offset the losses being experienced by adverse competition, especially if such users are "captive". In addition a distinction must be drawn between competition and a "<u>rate war</u>" which could have quite negative impacts on both terminals and users.

<u>Overall comment on the above</u>: Serious attention must be paid to all the above statements made in the Prospectus as they are touted as "benefits" of the proposed project. The Port of Prince Rupert submits that the so-called "benefits' are vague, unsubstantiated, and purely speculative, and should be struck out from the benefits being claimed for the proposed project.

ADDENDUM

As observed earlier in our submission the Proponent finally released the consultant's studies after tremendous public pressure, but less than six working days before the deadline for the submission to the MPRP.

It is not possible within such a short time to review such a complex document, especially also as upon giving it a quick review, there are many questionable and, at times inaccurate, assumptions employed in conducting the analyses of economic and socio-economic issues.

This addendum will simply provide extracts from the consultant's studies, which, we believe, will speak for themselves. No comment is provided by the Port. The extracts appear in Appendix C.

At this time and given the circumstances, they form an integral part of our submission. As mentioned in our letter to the MPRP we are continuing to review the document and we are prepared to make a more detailed submission on the consultant's studies provided we are given the time. We are also then prepared to regard such a subsequent submission as part of this submission as well.

We cannot overemphasize our concern that, as the public, and as a party that will be heavily affected by the proposed terminal, we are not being given enough time, nor the opportunity to suitably respond to this proposal. We wish this concern to be a matter of public record.

CONCLUSIONS/RECOMMENDATIONS

The most basic, and perhaps the only conclusion to be reached is that the proposed terminal is uneconomic and the proposal should be rejected.

Several major areas vital to any project approval process have been overlooked, or given inadequate attention. For example, the environmental impact assessment of the project has not been sufficiently advanced to at least obtain conditional approval in principle.

The Port of Prince Rupert recommends that the MPRP reject the proposal at the Prospectus stage.

APPENDIX A

SUBMISSION TO CABINET COMMITTEE ON SUSTAINABLE DEVELOPMENT

SUBMISSION TO CABINET COMMITTEE ON SUSTAINABLE DEVELOPMENT (CCSD) REGARDING FAIRVIEW TERMINAL PRINCE RUPERT

January 8, 1991

SUBMISSION TO CABINET COMMITTEE
ON SUSTAINABLE DEVELOPMENT (CCSD)
REGARDING FAIRVIEW TERMINAL
PRINCE RUPERT

Executive Summary

Background

Discussion (Prince Rupert Response)

Action/Support sought from Provincial Government

EXECUTIVE SUMMARY

The purpose of this submission is:

a) To bring to Cabinet's attention the recent major expansion at Fairview Terminal and the extent to which such capacity can meet current and future port capacity for Northern B.C., Alberta and Saskatchewan.

b) Given the common catchment area and the types of traffic being considered, to alert Cabinet to the real possibility of duplication and waste of resources if a new terminal was constructed in Kitimat at this time.

c) To seek Cabinet acknowledgement and support for the expansion undertaken at Fairview Terminal in direct response to British Columbia industries' needs for additional port capacity. Further, to emphasize that the expansion was at no cost to and with no assistance from the Provincial Government.

d) To inform Cabinet that the development of a terminal at Kitimat in direct competition with Prince Rupert will have a negative impact on Prince Rupert's ability to develop as a load centre port for the North.

e) To seek Cabinet assurance that the principles of co-operation and consultation set out in the proposed provincial port policy will be applied in fair measure to the Port of Prince Rupert. In like manner the Port wishes to assure Cabinet of its willingness to participate in such consultation and co-operation on an ongoing basis.

BACKGROUND

The Port of Prince Rupert is the most northerly deep sea port on the West Coast of Canada and is one of the finest natural harbours in the world. This all-year ice-free port can accommodate vessels up to 250,000 DWT.

Compared to Southern B.C. and Northwest U.S. ports, Prince Rupert is 440 nautical miles closer to many Asian markets. This creates a saving in sailing time in excess of one day in each direction, placing the Port in an enviable position to compete in Asia-Pacific and Pacific Rim trade.

In 1989 more than 11 million tonnes of deep sea and coastal cargoes were handled and over 1700 vessels called at the Port in that year. Principal commodities moved are coal, grain, forest products, concentrates and general cargo. Appendix C gives a five year picture of cargo and vessel movements.

The Port generates direct and indirect economic benefits with a revenue impact of $370 million per annum. An estimated 2,461 direct and 1,760 induced jobs are created in the Port and port-dependent industries. The Port is also a major catalyst for economic development with a personal direct and indirect income impact of $207 million per annum. Tax impact is estimated at $60 million per annum.

Five major deep sea terminals serve the Port [see Appendix B for details]. The Port is the terminus of the transcontinental railway and highway network. Both the federal and provincial governments and their agencies, for many years, have supported upgrading of the rail and road network in their stated policy to establish the Port of Prince Rupert as the Northern Gateway Port. CN has spent upwards of $120 million on the rail line between Terrace and Prince Rupert, and the Provincial Government has spent $19 million on highway improvements in the last five years.

DISCUSSION

The Minister responsible for Northern Development, the Honourable Dave Parker has commissioned a study to examine the feasibility of developing a general cargo terminal at Kitimat. The Port of Prince Rupert has not been consulted on the study's terms of reference. However, we understand that the study will include an assessment of present and future port capacity on the North Coast which is a matter of prime concern to the Port of Prince Rupert. It is a matter of record that in the 1970's, the federal and provincial governments signed an agreement specifically recognizing the Port of Prince Rupert as the international Northern gateway port and agreed to encourage road and rail development and upgrading to make this a reality.

The Port of Prince Rupert firmly contends that any proposal to construct terminals on the North Coast must recognize the efforts that have already been, and are continuing to be made, to meet the challenge of providing adequate port facilities for Northern B.C., Alberta, Saskatchewan, and their trading partners. Accordingly, the Port of Prince Rupert is taking this opportunity to brief the Cabinet Committee on Sustainable Development on the facilities at Fairview Terminal. In particular, we wish to focus on the recently completed $34 million expansion at Fairview, which we sincerely state, has been constructed and completed at no cost to, and with no financial assistance from the Provincial Government. A detailed discussion of rationale and justification for the Fairview extension is given in Appendix A.

We believe it would be important to let Cabinet know that the construction of Fairview Terminal had to be justified on grounds of economic and financial viability. Accordingly we were required to incorporate, in our justification for the project, the repayment of all loans with interest, in addition to the use of our own funds.

Development of Fairview Terminal

Why was Fairview Terminal expanded? By the mid 1980's Fairview Terminal was approaching capacity, handling over 571,000 MFBM in 1987. The Port commissioned the well-known forest products consulting firm of Widman Management Ltd. in 1987 to conduct a comprehensive review of the B.C. lumber industry, transportation factors, and production facilities, and to prepare a traffic forecast for Fairview Terminal.

Widman Management Ltd. forecast that lumber traffic would rise to a total of 1.15 billion FBM (1.57 million tonnes) by 1996, and recommended that the Port expand immediately to meet the forecast increased volumes.

The recently completed expansion provides the capacity to meet the above forecast volumes to 1996. It is important to note that the consultants worked under the assumption that all overseas deep sea lumber traffic that did not go to the Lower Mainland forest products terminals (e.g. Seaboard, Lynnterm, Squamish) would go through Prince Rupert. This means that the consultants have included in their forecast for Prince Rupert any of the traffic that is also being identified for the terminal at Kitimat, if one is built. In 1990 Widman Management Ltd. conducted a follow up study in which they said:

> "Kitimat:
> At this time, the provincial government is considering the development of a $40 million, single berth, 12.5 hectare, break-bulk facility at Kitimat. A large southeastern U.S. company has proposed to contribute $10.0 million in equity towards development of this project.
>
> Such a development would be detrimental to the Port of Prince Rupert. It is possible that 200 million bf or more of trucked volume could be diverted from the Port to a new facility at Kitimat (mostly on the Terrace to Burns Lake range).

Our forecasts do not indicate that enough traffic exists to satisfy two major break-bulk ports in northwestern B.C." [Forest Products Cargo Shipment Through the Fairview Terminal: Widman Management Ltd.: May 1990:]

Fairview Terminal is now up and running with capacity to handle all forecast Northern B.C. lumber until 1996. We also wish to inform Cabinet that should there be increased volumes, including from Alberta, Fairview Terminal can again be expanded both to the North and South with adequate back-up land and facilities. Such capacity can cover lumber, pulp, other forest products, concentrates, and containers. Our engineering staff have conducted preliminary feasibility studies, and in fact, such proposed expansion is already part of our corporate long term plans. In addition, the Port already has even further capacity to expand with our recently acquired six hectare Westview site. This site can be developed at very short notice.

One aspect of the Fairview expansion is its capacity to diversify in the face of changing markets. In this regard we are actively pursuing new concentrate and petrochemical business, and expanding existing cargo of these types.

One note of caution has been drawn to our attention. The volumes forecast by our consultants in 1987 are not being realized because of the current downturn in the economy and other factors. The Port asked the consultants to conduct another study in 1990, and their forecasts have been substantially downgraded. Details are provided in Appendix A.

The 1990 findings of the consultants can be interpreted to mean that there is now substantial capacity - in fact a degree of current over-capacity at Fairview Terminal well in excess of what is required for the North Coast region. Accordingly, any additional capacity on the North Coast at this time, or even in

the near future, would be an unnecessary duplication of facilities, and a significant waste of resources. We strongly recommend that Cabinet give this situation serious consideration.

Finally, from a long term Regional development perspective, the Port believes that there is a more compelling reason why every effort should be made to increase the routing of cargo through the Port of Prince Rupert. The Port industry world wide is moving to a load centre concept sometimes referred to as "one stop shopping". Due to increasing pressure and competition from the U.S. ports vessels are seeking to reduce calls at Canadian ports. In addition, shippers are taking advantage of economies of scale, as well as use of EDI and other technological advances to concentrate their activities through a single port.

Becoming a load centre Port has assumed greater urgency for the Port since our consultants Widman Management Ltd. have recommended that the Port make greater efforts to attract inbound cargo.

In response to these challenges the Port is currently directing its planning, port development and marketing efforts to become a load centre. Some of our initiatives are:

- actively supporting the Province of B.C. and other efforts to locate a steel mill in the Region.

- diversifying to attract cruise ship, coastal and international passenger traffic.

- presently carrying out a marketing mission overseas to Hong Kong, Taiwan, China and Japan.

- Meeting with several shipping companies likely to use the Port.

- acquiring and developing new sites, or improving existing terminals.

Splitting cargo also has serious implications for ship efficiencies. Vessels prefer to make single calls preferably with inbound and outbound cargo, or to "top off". This reality of how vessels operate is behind the success of a terminal such as Seaboard in the Lower Mainland.

We believe that creation of a new terminal in the Northern Region will have two deleterious effects: it will seriously negate our efforts to create a north coast load centre, and, more importantly, splitting the traffic will result in both terminals becoming losers.

In concluding our presentation we wish to inform Cabinet that the Port has been working with officials from the Ministry of Transportation and Highways on the proposed Provincial Ports Policy. The Provincial Ports Policy itself is highly critical of areas where there is duplication, overlap, and inefficient use of resources.

We are a positive, forward-looking port, with a sound, well-researched corporate plan. We are calling upon you to work with us and in turn we are desirous of doing the same. Together we can develop a positive course of action to make North Coast port facilities truly responsive to Northern regional social and economic development. In our opinion this is the spirit behind the B.C. Ports Policy and we would be delighted to work with you to achieve these goals.

APPENDIX A

DEVELOPMENT AND EXPANSION OF FAIRVIEW TERMINAL

APPENDIX A

DEVELOPMENT AND EXPANSION OF FAIRVIEW TERMINAL

Fairview Terminal, a multi-purpose general cargo terminal was constructed in 1976. By the mid 1980's it was approaching capacity. In 1987 the Port commissioned the well-known forest products consulting firm of Widman Management Ltd. to conduct a comprehensive review of the B.C. lumber industry, transportation factors and production facilities, and to prepare a traffic forecast for Fairview Terminal.

The following are extracts from the consultants' 1987 report.

- During the period 1987-1996, the British Columbia forest industry will enjoy a significant growth in production and markets. The planned expansion of Fairview Terminal is essential in order to assist those producers located in the Northern Interior of B.C. to participate in the development of waterborne markets.

- This report shows clearly that forest products markets in the Pacific Rim region will expand faster than other regions of the world. Due to its enviable geographic position, the Port of Prince Rupert (the Port) is in a unique position to capitalize upon these developments and participate in this expansion.

- Our forecast of tonnage through the Port indicates that lumber movement alone should increase from 777,000 tonnes in 1987 to 1.569 million tonnes in 1996. If potential volume from other forest products such as panelboards and pulp and paper also develops, the tonnage through Fairview Terminal could reach 1.807 million tonnes by 1996.

- This study shows that key economic indicators - exchange rates, inflation and interest rates, population growth and demand - are all favourable for a sustained period of growth in world forest products consumption. Therefore, the expansion of Fairview Terminal is being undertaken at a timely period.

- Lumber production in the Northwest sector of B.C. is forecasted to increase dramatically during the next three years, due to the construction of several new sawmills in the region. The Port's facilities for handling lumber at Fairview Terminal will be taxed to the limit, until the new expansion is completed in 1989.

- Currently, and in the future, the Port will compete for forest products traffic from the Northern Interior of B.C. with the principal terminals in the Vancouver area - Squamish, Lynnterm and Seaboard. If the Port is to remain competitive with these terminals, it is important that Port officials constantly monitor their rates and facilities.

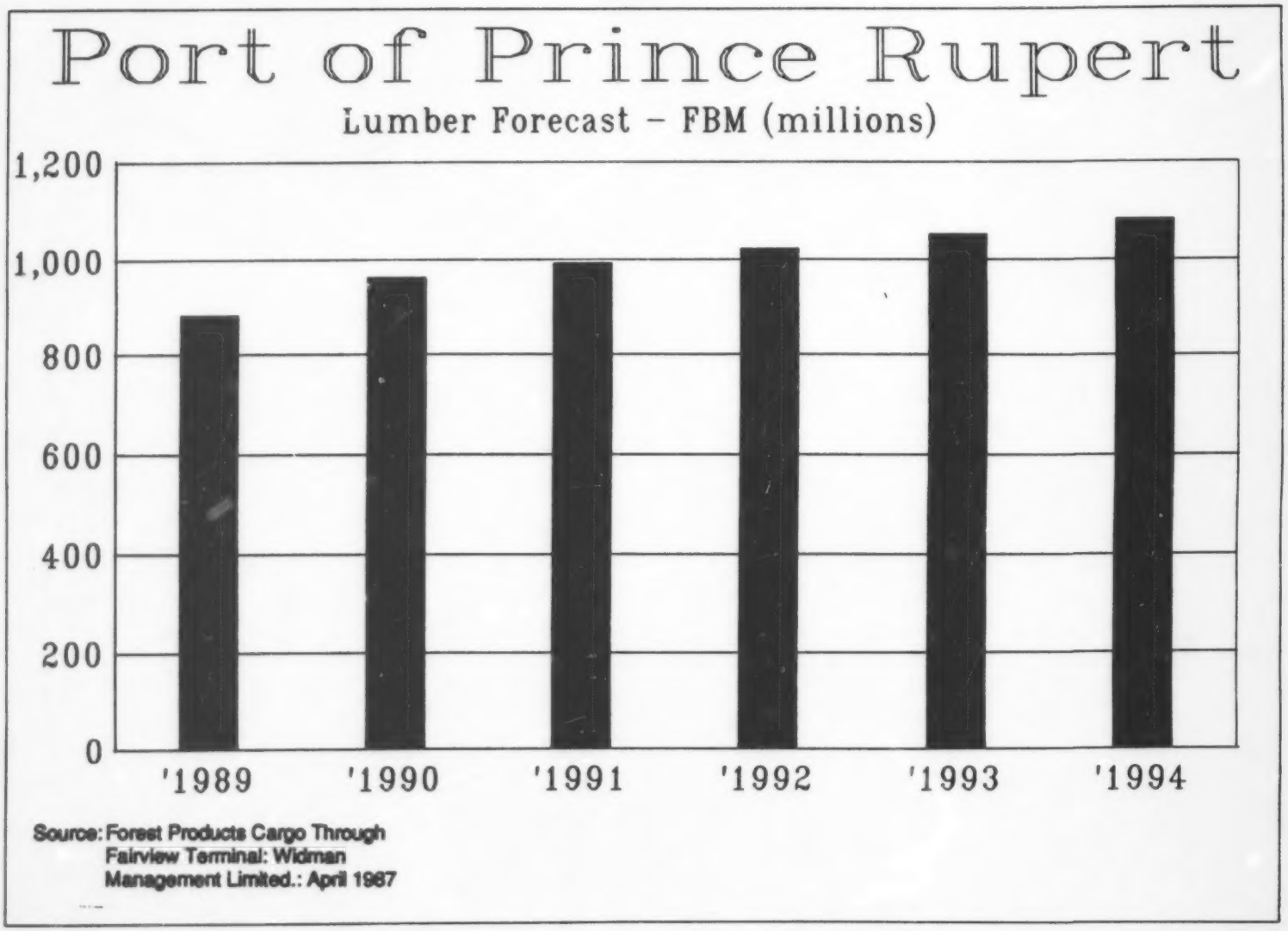
- To a considerable extent, the future success of the Port will be determined by developing more in-bound freight through Fairview Terminal. This will require considerable development work and will not be an easy task. Such increased imports will not only provide additional revenue for the Port but increase shipping activity, thereby providing exporters with greater vessel availability. The subject of in-bound freight was not within the mandate of this report but should be carefully addressed at some future date.

It is important to note that for the 1987 report the firm assumed that all overseas deepsea traffic that did not go to the Lower Mainland terminals (Seaboard, Lynnterm, Fraserport etc.) would go through Prince Rupert. Accordingly, the consultants have included in their forecast for Prince Rupert, all of the traffic that is also being identified for the terminal at Kitimat, if one is built.

The above forecast of the consultants for 1987 is shown graphically in graph I.

Based on the consultants' 1987 findings the expansion of Fairview was undertaken, and completed in 1990. However, by 1990, the volumes forecast by the consultants had not materialized. The consultants were again asked in 1990 to re-examine their forecast. The Port also in 1990 conducted its own market survey.

GRAPH I

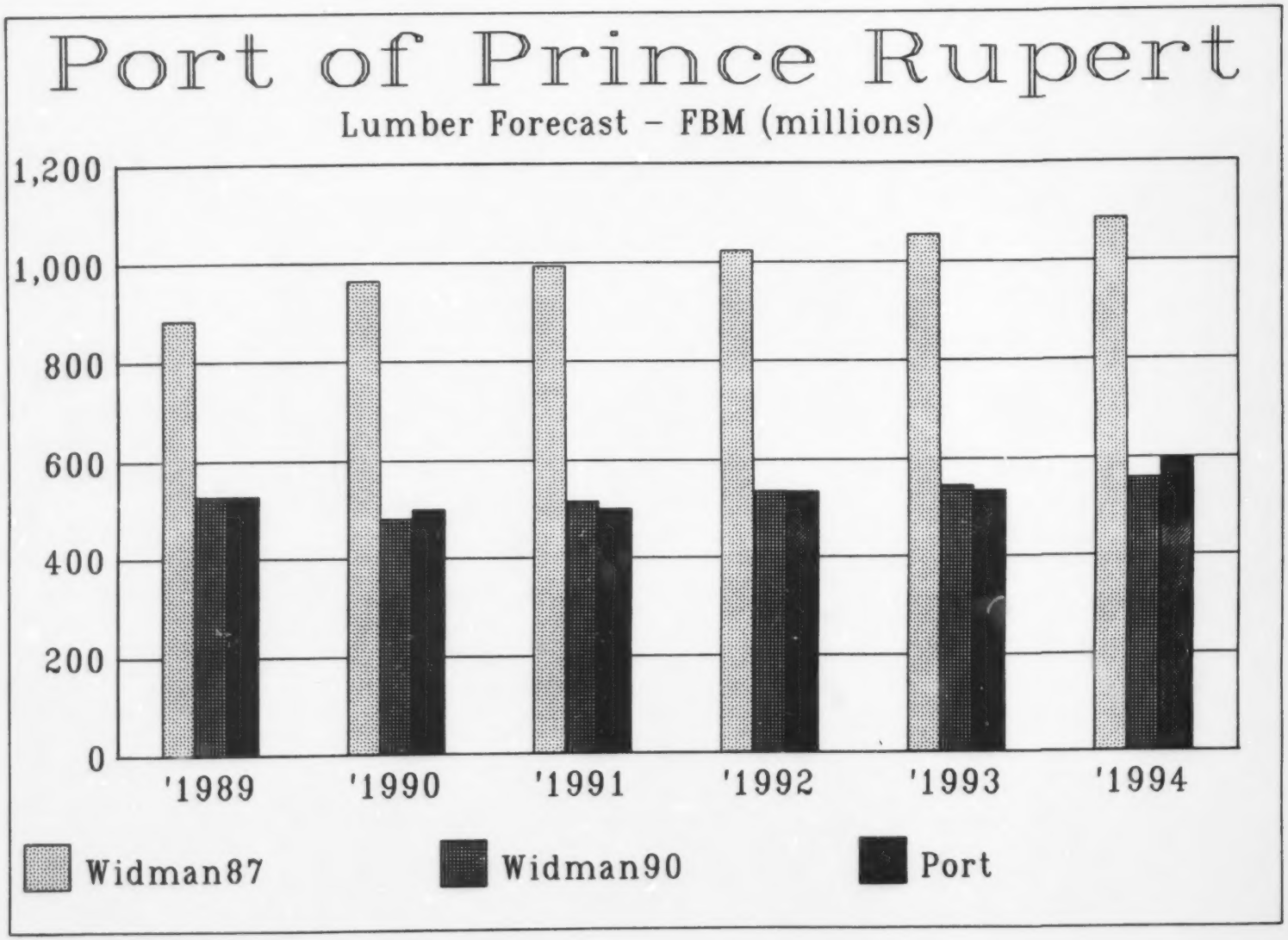

Port of Prince Rupert
Lumber Forecast - FBM (millions)
1,200
1,000
800
600
400
200
0
'1989
'1990
'1991
'1992
'1993
'1994
Source: Forest Products Cargo Through
Fairview Terminal: Widman
Management Limited.: April 1987

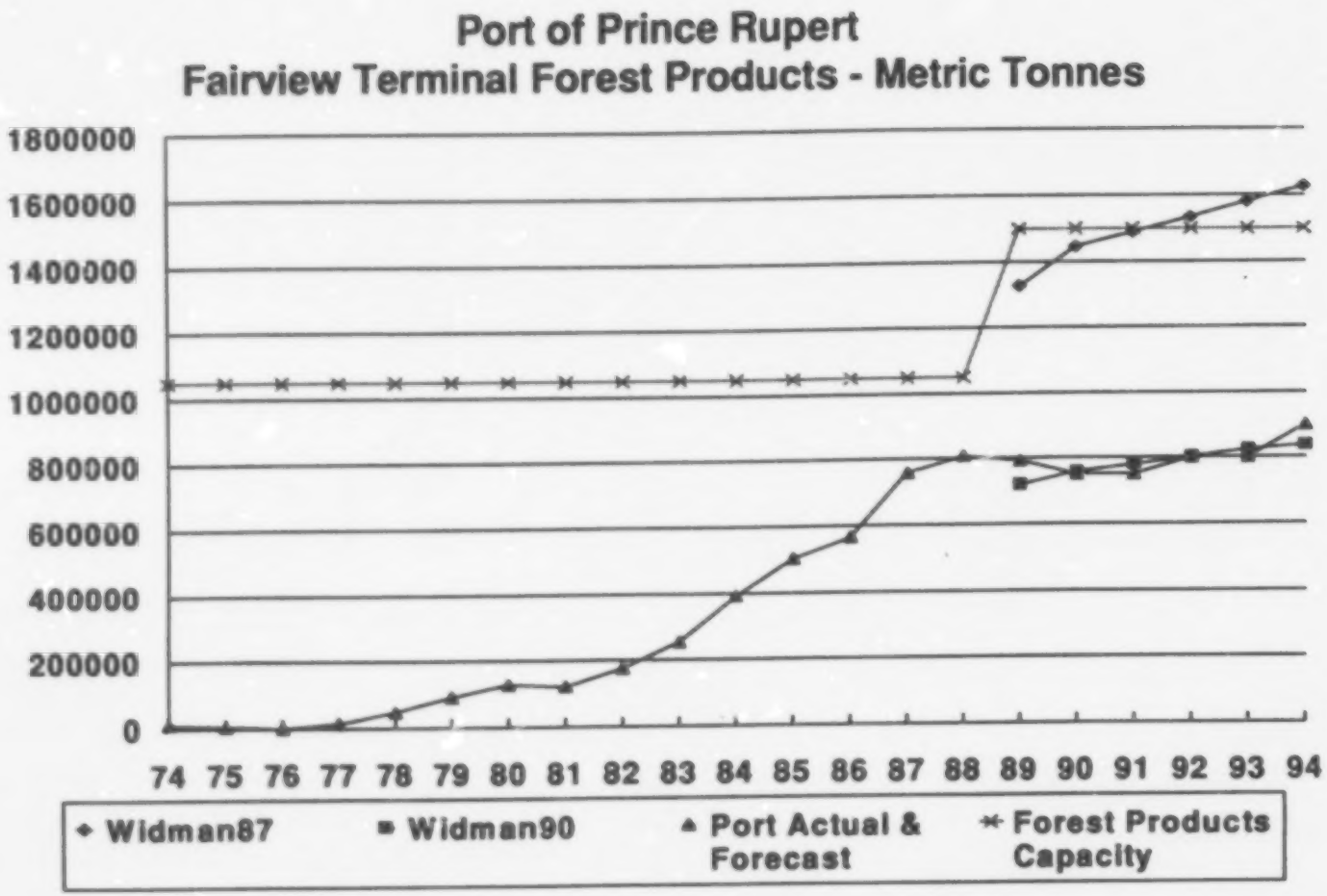
Both the Port and the consultants found that the 1987 forecasts were too optimistic and the forecasts were substantially revised. The 1987 and 1990 forecasts are shown graphically in Graph 2.

In their 1990 report the consultants also made the following observations with respect to Kitimat:

> "Kitimat:
> At this time, the provincial government is considering the development of a $40 million, single berth, 12.5 hectare, break-bulk facility at Kitimat. A large southeastern U.S. company has proposed to contribute $10.0 million in equity towards development of this project.
>
> Such a development would be detrimental to the Port of Prince Rupert. It is possible that 200 million bf or more of trucked volume could be diverted from the Port to a new facility at Kitimat (mostly on the Terrace to Burns Lake range).
>
> Our forecasts do not indicate that enough traffic exists to satisfy two major break-bulk ports in northwestern B.C.

Graph 3 consolidates information on Fairview Terminal's capacity against forecasts made by Widman (1987 and 1990) and the Port. The graph shows clearly that there is considerable capacity yet to be utilized.


Port of Prince Rupert
Lumber Forecast - FBM (millions)
1,200
1,000
800
600
400
200
0
'1989
'1990
'1991
'1992
'1993
'1994
Widman87
Widman90
Port

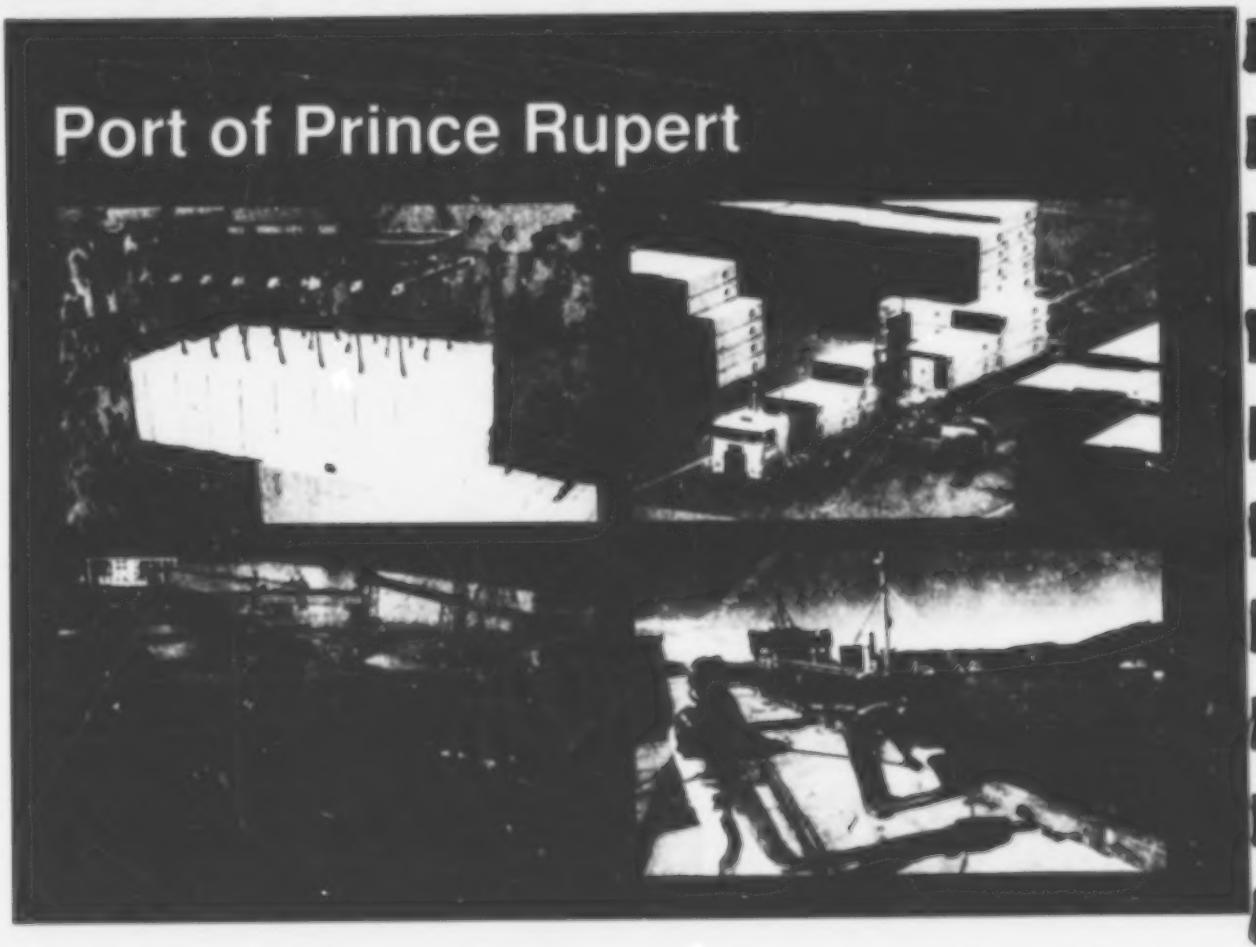

Port of Prince Rupert
Fairview Terminal Forest Products - Metric Tonnes
1800000
1600000
1400000
1200000
1000000
800000
600000
400000
200000
0
74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94
Widman87
Widman90
Port Actual & Forecast
Forest Products Capacity

APPENDIX B

DEEP SEA TERMINALS

PORT OF PRINCE RUPERT

Port of Prince Rupert



NAME OF PORT:	PORT OF PRINCE RUPERT
CO-ORDINATES:	54° 19'N , 130° 20'W
TIME ZONE:	Pacific Standard Time (P.S.T.) Z - 8

The Port of Prince Rupert is located on British Columbia's Northcoast approximately 700 kilometres (450 nautical miles) north of Vancouver, B.C..

The large, ice free, naturally deep harbour offers excellent protection for vessels up to 250,000 deadweight tonnes. The harbour is administered by the Prince Rupert Port Corporation.

The Port of Prince Rupert is the closest Westcoast seaport to Asia Pacific ports. The approximately 420 nautical miles shorter distance offers a significant trans-Pacific time savings to ocean carriers. The Port of Prince Rupert is the terminus of both the B.C. and Alaska ferries, the Trans-Canada highway, and Canadian National Railways northern mainline.

Prince Rupert Port Corporation

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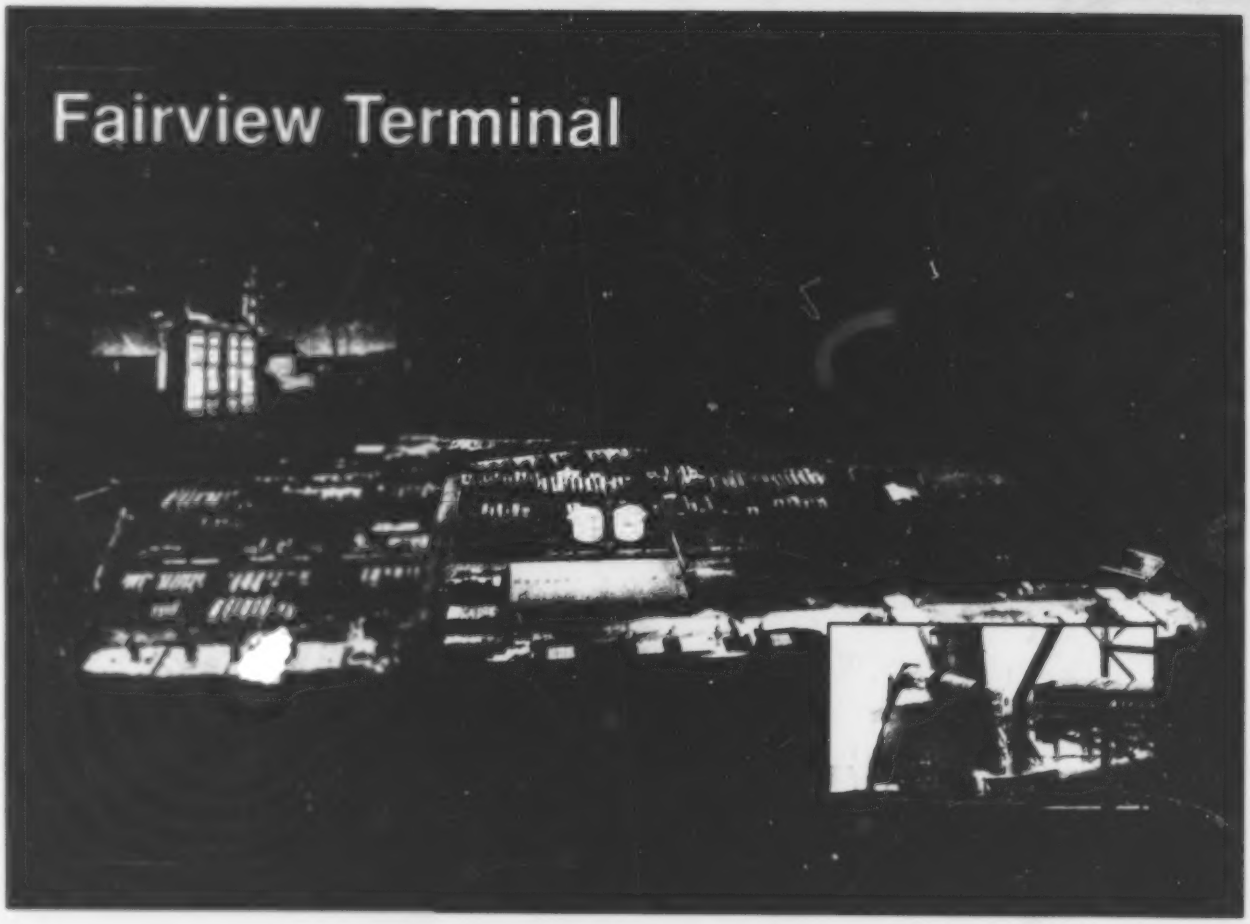
Fairview Terminal



Fairview Terminal is located at the entrance of the inner harbour and serves primarily as the Port's lumber export facility. In addition, other forest products, mineral concentrates, specialty grains, heavy lifts, containers, project and general cargo are handled at this facility. During 1989, the facility underwent a major expansion with the addition of a third berth and an addition of 6.5 hectares of storage area. The expanded facility is capable of handling all foreseeable lumber exports from the northern region of Western Canada well into the 1990's. Terminal specifications are given below.

Owner	- Prince Rupert Port Corporation
Length	- 642 metres
Draft	- 13.7 metres
Open Area	- 21.5 hectares
Covered Storage	- 4,583 square metres
Rail Siding On Site	- 2,850 metres
Ro Ro Ramp	- 130 Tonne Capacity
Terminal Operator	- Canadian Stevedoring Co. Ltd

Prince Rupert Port Corporation

110 - 3rd Ave West, Prince Rupert, B.C. CanadaV8J 1K8
Tel: (604) 627-7545 Fax: (604) 627-7101

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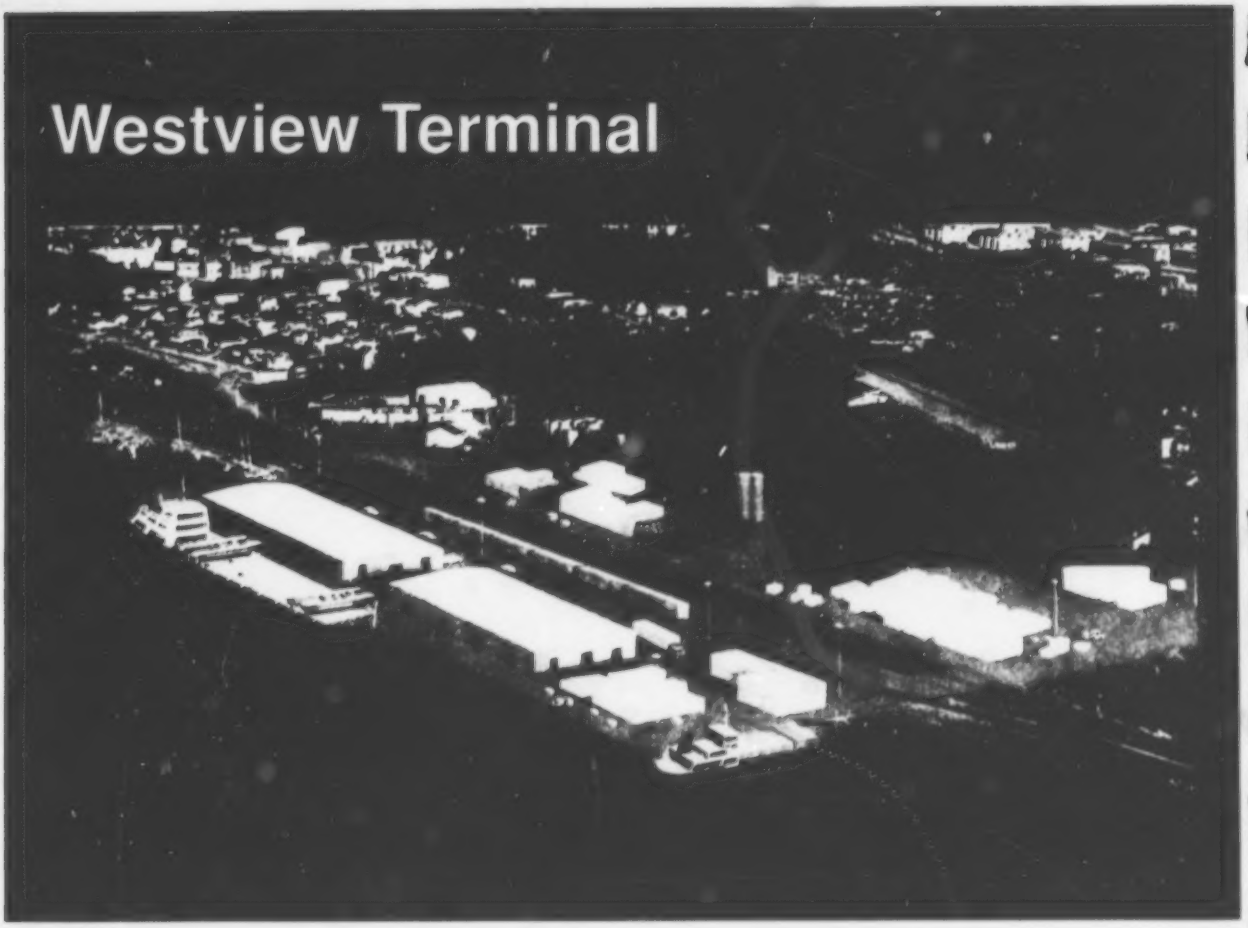
Westview Terminal



The Westview Terminal property is in undeveloped condition with the former structure removed and the site levelled. The Port Corporation plans to replace the non-load bearing terminal with a facility suitable for anticipated cargoes.

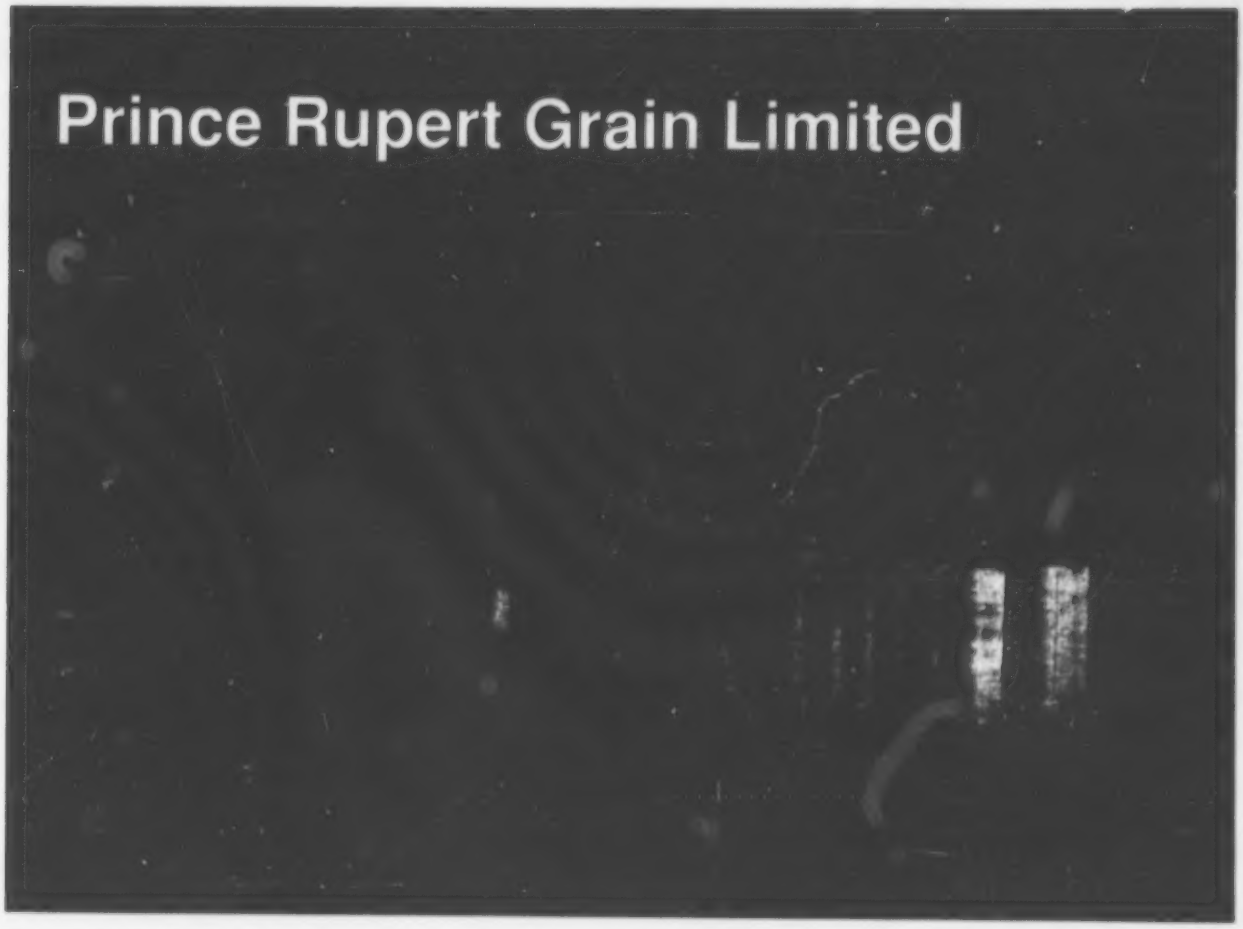
Owner	- Prince Rupert Port Corporation
Location	- Prince Rupert's inner harbour
Draft (proposed)	- 13.5-14 metres
Trackage	- Two existing @ 615 metres each
Property size	- 460 metres long by 80 metres
Backup land dimensions	- 280 metres long by 76 metres
Total Area	- 6 hectares
Terminal Length (Proposed)	- 350 / 400 metres

Prince Rupert Port Corporation

110 - 3rd Ave West, Prince Rupert, B.C. CanadaV8J 1K8
Tel: (604) 627-7545 Fax: (604) 627-7101

PRINTED IN CANADA ON SAV A SOURCE RECYCLED PAPER

Prince Rupert Grain Limited



Prince Rupert Grain Ltd. was formed by six Canadian grain companies to improve the nation's ability to export grain and oilseed. Prince Rupert Grain's terminal, known as PRG2, has placed Canada at the forefront of grain handling technology while giving grain producers and buyers an effective and reliable outlet on the west coast.

Owner	- Prince Rupert Grain Limited
Telephone	- (604) 627 - 8777
Commenced Operations	- 1985
Berth Type	- Dolphin
Length	- Berthing Dolphins 118 metres
	- Mooring Dolphins 240 metres
Draft Alongside	- 14.5 metres
Bollard Pull	- 100 tonnes
Capacity	- Total storage 210,000 tonnes
Largest Annual Throughput	- 4.5 million tonnes
Shipping Bins	- Eight at 750 tonnes (28,000 bu)
Conveyors	- Two at 2000 Tonnes Per Hour (TPH)
Elevator to Ship	- 600 metres
Shore to Ship	- 200 metres
No. of Employees	- 85

Prince Rupert Port Corporation

110 - 3rd Ave West, Prince Rupert, B.C. CanadaV8J 1K8
Tel: (604) 627-7545 Fax: (604) 627-7101

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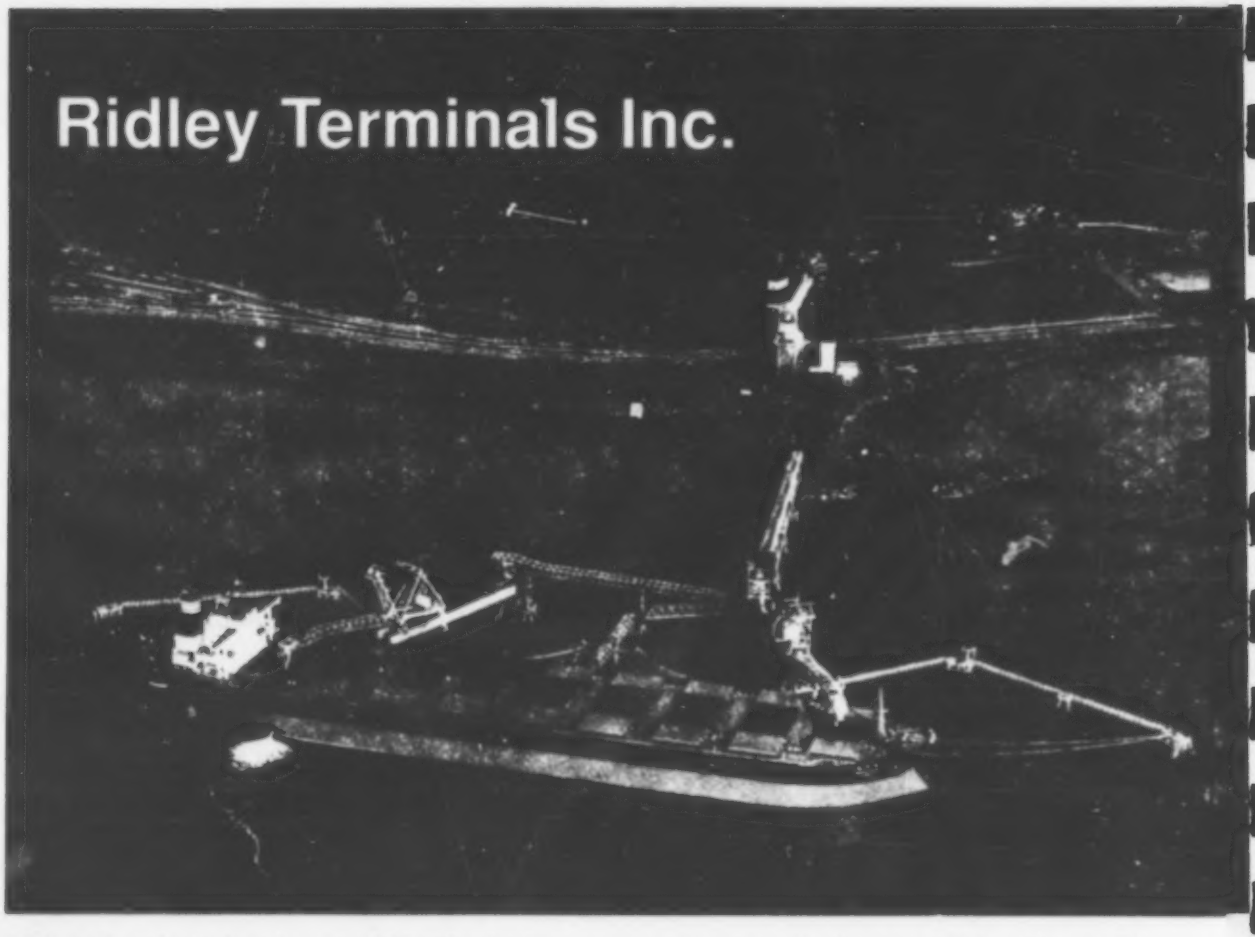
Ridley Terminals Inc.



Ridley Terminals Inc. is a world leader in the efficient and reliable transfer of coal from unit trains onto ships. R.T.I.'s efficient operation is complemented by its strategic location on British Columbia's northcoast in the Port of Prince Rupert.

Owner	- Ridley Terminals Inc. (R.T.I.)	
Telephone	- (604) 624-9511	
Commodity	- Metallurgical and Thermal Coal	
Berth Type	- Dolphin	
Berth Length	- Berthing Dolphins	150 metres
	- Mooring Dolphins	370 metres
Vessel	- Maximum L.O.A.	325 metres
	- Maximum Breadth	50 metres
	- Maximum draught	20 metres
	- Maximum deadweight	250,000 tonnes
Shiploaders Type	- Quadrant style with elevating boom.(2)	
Loading Capacity	- 4500 T.P.H. each.	
Air Draft	- Unlimited.	
Terminal Storage	- 1.2 million tonnes.	
Stacker/Reclaimer	- Two each 6000 T.P.H.	

Prince Rupert Port Corporation

110 - 3rd Ave West, Prince Rupert, B.C. CanadaV8J 1K8
Tel: (604) 627-7545 Fax: (604) 627-7101

Skeena Cellulose

Considerable investment in plant improvements has meant a gradual increase in capacity (kraft pulp production is now near 450,000 tonnes) over the past several years. Recent investment in water and air pollution abatement infrastructure has totalled approximately $96 million.

Owner	- Repap Enterprises (Montreal)
Telephone	- (604) 628-3671
Products	- B.K. Woodpulp
Length	- 360 metres
Depth	- 10.6 metres
Berthing Restriction	- Daylight, slack water only

Prince Rupert Port Corporation

110 - 3rd Ave West, Prince Rupert, B C CanadaV8J 1K8
Tel: (604) 627-7545 Fax: (604) 627-7101

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APPENDIX B

PRESS ARTICLES

Monday Magazine

April 4-10, 1991

DOES KITIMAT NEED A PORT?

So far, the government hasn't come up with an explanation for why it wants to spend $17 million to give Kitimat a major port facility. And so far, neither the minister responsible, Bud Smith, nor Derek Griffin, co-ordinator of the Major Project Review Process now examining the port proposal, can come up with a reason why the MPRP should not hold a meeting in Prince Rupert.

The city of 16,000 stands to lose half the volume of its lucrative lumber exports to the smelting town 120 km to the southeast if the port goes ahead.

Prince Rupert Mayor Peter Lester is hopping mad. "They held meetings in Kitimat and Terrace [which stands to benefit from the expansion at Kitimat]. Since the MPRP is supposed to measure the socio-economic impact of a project, it stands to reason there should be a meeting here."

But none of Lester's calls to Griffin were returned. Nor were his calls to Regional and Economic Development Minister Bud Smith. Nor were those of Prince Rupert's MLA, Dan Miller.

"I wonder if it's because we elected an NDP MLA," said Lester.

Miller speculated that "this is just a scheme to get Dave Parker re-elected." Parker is the MLA for Kitimat in the Skeena riding. At the last cabinet shuffle, he was also given the responsibility for the Kitimat port project.

"There's no good economic reason to spend $17 million for a new port," said Miller. The project's prospectus put the total cost "for public and private sectors," at $62 million, with much of that borne by private investors. Their identities have never been revealed. Miller said he suspected they do not exist.

The same prospectus notes the port's operations will initially generate 20 full time jobs and 65 full time equivalent jobs for stevedores.

These jobs, says Lester, will all come from Prince Rupert, though the prospectus downplays this. "The initial diversion," it states, "would amount to less than three per cent of recent total tonnage handled at Prince Rupert." Most of the new port's capacity will be devoted to "new industrial cargoes."

"Where are they going to come from?" asks Miller. Kitimat, he said, expected to grab half of Prince Rupert's lumber exports, reducing a terminal now operating at 40% capacity to 20% capacity. "It doesn't make sense."

—Steve Westerbo

Rupert reps not impressed, questions still unanswered

Daily News 3/20/91

By PAUL LACKHOFF

Unanswered questions about the onomic viability of the proposed itimat port had Prince Rupert presentatives steamed at last ght's sometimes rowdy informa- n meeting in Terrace.

Ald. Paul Kennedy told the eeting's chairman, Kitimat Mayor chard Wozney, that the city lieved the project was "a totally economic expenditure of public funds" and asked what was the net regional benefit if the project is "good for Kitimat but bad for Prince Rupert?"

Wozney wouldn't answer directly but quoted from some Daily News articles that said Fairview Terminal had room for an additional berth and asked Kennedy, "If things are so bad in Rupert why are they expanding?"

Wozney then said the question is where additional berths will be built in the northwest, not whether they should be built.

Kennedy pressed Wozney, pointing out the financial analysis of northwest forest products and the economic viability of the port was not in the port prospectus document. He asked whether the information would be available to the public since the prospectus, prepared by Sandwell Inc., was paid for with taxpayers' money.

Again Wozney wouldn't answer, saying only the Prince Rupert Port Corporation (PRPC) had federal money in it.

Kennedy persevered, asking when the public would learn about the "dollars and cents of the proposal," and Wozney said, "I can't answer that tonight."

Wozney admitted earlier the document released to the public was incomplete, saying the economic and financial viability of the project would remain under wraps "for reasons of confidentiality."

The Kitimat mayor has maintained that private investors would be involved with the project and operate the terminal, but refused to identify them at the meeting.

He said the plan calls for the province to build the port's infrastructure — at a cost of about $24 million — and for a private operator to complete the port and lease the facilities.

The PRPC's CEO and General Manager Terry Andrew said the port's "tariffs are freely published" and reminded Wozney the port had shared "all information, including marketing studies" with the consultants doing the prospectus.

Andrew then asked "why is the information developed from this confidential?" but Wozney wouldn't answer.

Emam Khan, an economist and transportation consultant hired by the port corp. to prepare its position paper on the proposal, asked whether the province would do a regional economic impact study on the proposal and Wozney said "it's been studied to death."

Khan asked if any shipping lines were interested in the terminal and Wozney said "it's too early to tell." And Wozney said, "I can't answer that" when Khan asked if the consultants had studied the "seaward end of shipping charges."

After the meeting Khan said it was obvious the consultants had not done a cost-benefit analysis. "They deal only with economic impacts, not benefits. What are the regional benefits of this project?"

Kennedy said, "My impression is they don't know what the net economic effect for the region is. He (Wozney) admitted it tonight," adding, "There's something in there he doesn't want us to know."

When asked if the financial analysis would ever be released to the public, Wozney said, "At this point in time the answer is no."

Asked why he thought Wozney wouldn't share the economic information, Andrew said, "It's very difficult to determine. The cynical inference could be that the information provided by the consultants does not support their proposal to the extent that they might wish."

Andrew went on to say, "I cannot understand their reluctance to make their information publicly available if it promotes their cause. If it does not promote their cause, their reluctance to share it is understandable."

The port corporation will analyze the information available and make a formal submission to the Major Project Review Process by the April 12 deadline. The city is also preparing a formal submission.

North Coast MLA Dan Miller commented that the society probably isn't releasing the financial information because, "It's not economically viable, they're dreaming in technicolor. The fact they won't release the information is proof of that."

Miller has maintained the proposal is in reality a scheme to enhance the re-election bid of Crown Lands Minister Dave Parker.

Mayor Peter Lester said this morning the city will invite the major project review committee to Prince Rupert to explain their guidelines and receive comment from interested parties at a public information meeting. "If they agree, the meeting will be next week."

Lester added the city will lodge a complaint with the review committee "in view of the actions of the chairman at the meeting."

There was a significant contingent of Prince Rupert residents in the crowd of more than 130.

Wozney continually cut off, argued with and fired questions at people speaking against the project while letting supporters speak uninterrupted for long periods.

Movement on port front, but not enough

Daily News 4/5/91

By PAUL LACKHOFF

The chairman of the Major Project Review Process has offered to meet with city council next week, but Mayor Peter Lester says that isn't good enough.

Co-Chairman Frank Blasetti said MPRP personnel would meet with the city April 9 to explain the review process and listen to the city's concerns, but members of the Kitimat-Terrace Port Society will not be there to answer questions on the port proposal.

Lester said the meeting is a step in the right direction but doesn't go far enough and he insists that Blasetti agree to a three-point resolution passed by council Tuesday night.

The first was that council would write Blasetti requesting that "a public information meeting be held in Prince Rupert."

Second, council wants "all documents concerning the proposed Kitimat port."

And third, council wants the April 12 deadline for the submission of written comments to be extended.

The mayor also said he has been in contact with Provincial Ombudsman Stephen Owen and requested him to investigate the conduct of the minister and ministry of regional and economic development, Crown Lands Minister Dave Parker and the MPRP.

The city is concerned that it and other local groups were not given "a reasonable opportunity to be heard regarding the substantial impact of the proposed Kitimat port expansion."

Lester said Owen contacted him today seeking clarification on the city's concerns and said he had been in contact with MPRP personnel to review the situation.

Owen said he would contact Lester Monday to advise him on what his recommendation to the government will be.

Lester added that Blasetti had verbally agreed to a Tuesday meeting, but council is waiting for written confirmation. The time and place of the meeting, should it go ahead, will be announced Monday.

In related news, North Coast MLA Dan Miller said the city shouldn't expect any support in opposing the port from Premier Rita Johnston.

Miller referred to an exchange he had with Johnston (then highways minister) in the legislature last July and said, "She supports the proposal."

In the Hansard excerpts, Miller repeatedly asks Johnston for information on the port but she wouldn't answer the questions and referred Miller to Crown Lands Minister Dave Parker.

In November, 1989, Cabinet transferred responsibility for the Kitimat port to Crown Lands and Miller and Lester, among others, have maintained the proposal is a ploy to enhance the re-election bid of Parker.

Daily News 3/21/91

City requests port meeting be held here

By PAUL LACKHOFF

Mayor Peter Lester has formally requested the Major Project Review Process Chairman to hold a public information meeting in Prince Rupert on the Kitimat port proposal.

Lester said that because the port could have a severe impact on Prince Rupert, "It seems obvious that local residents should have the opportunity of voicing their concerns in a public forum in their own community, as those residents of Terrace and Kitimat have enjoyed."

Copies of the letter were sent to Cliff Serwa, environment minister, and Bud Smith, regional and economic development minister.

The mayor is also filing formal complaints about the inadequate information provided by the Kitimat-Terrace Port Society and the behavior of society Chairman Richard Wozney at Tuesday night's meeting.

While chairing the meeting, Wozney showed a definite bias by interjecting and arguing with anyone speaking against the port and he refused to answer specific questions on the economic viability of the project.

Interested parties have until April 12 to submit written declarations to the society and review chairman but Lester says those comments will be inadequate because of the missing information.

"It's difficult for any person concerned to actually file a proper brief without the economic information the proponents refuse to release. So the city will ask that the society be ordered to release the information."

Lester isn't sure a meeting will be held here, saying it depends on whether "they're trying to do a good job on this or is the program on a fast track and they don't give a damn what anyone thinks."

The port proposal must have weaknesses, Lester said, because the society won't release the economic information, and he wondered "what are they hiding."

North Coast MLA Dan Miller and Socred nominee Linda Marshall-Lutz have also thrown their weight behind the mayor's request.

Miller said this morning he had a call in to the deputy minister of regional and economic development to lobby for a meeting to be held in Prince Rupert.

The NDP forestry critic said he supported the move because the notice provided about the two meetings in Kitimat and Terrace was "extremely short," and, "It's clear the person who chaired the meeting was not an impartial chairman."

"Chairman Wozney interjected, interrupted and cut-off anyone wanting to ask real questions," Miller said.

He pointed out that given the potential impact of the port on Prince Rupert, "It seems to me that it's absolutely essential that a public meeting be held here."

Miller phoned the Daily News late this morning and said he had just hand-delivered a copy of the city's letter to Environment Minister Cliff Serwa and strongly urged him to agree to the request.

"I told him it was my view that the project was a political proposal and it would not be in the government's interest to allow the Major Project Review Process to become politicized."

Serwa agreed the process has to be beyond reproach and that he would consider the city's request, Miller said. He added he would try and contact Bud Smith this afternoon.

Marshall-Lutz said she supports holding a meeting here, commenting, "I think the people here have every right to ask for a well-balanced meeting," but doesn't know if it will happen.

In any event, Marshall-Lutz says "everyone in Rupert should send submissions to the society," including the chamber of commerce, the rotary clubs, unions and concerned citizens.

"If they're flooded with submissions, they'll have to listen to us," she said.

Rick Wozney

Port study says jobs will be lost here for Kitimat port

Daily News 3/11/91

By PAUL LACKHOFF

A port in Kitimat could divert 300,000 tonnes of lumber from the Port of Prince Rupert, eliminating 40 full-time jobs and a further 24 induced jobs, a provincially-funded report says.

"Approximately 300,000 tonnes of lumber is expected to be diverted from Prince Rupert in the initial stages of operation. This is estimated to result in a shift of 40 full-time jobs for terminal and stevedoring labour. Using the same multiplier assumed for Kitimat, a further 24 induced jobs are expected to be affected."

The report goes on to say, "The diversion from Prince Rupert would have an impact until it is replaced by the general growth in northwest region cargos. The initial diversion would amount to less than three per cent of recent total tonnage handled at Prince Rupert, and about half of current lumber shipments at Fairview Terminal."

The more than $62 million port would be a multi-purpose marine terminal with two deep sea berths, a coastal berth for barges, pocket cruise ships and ferries and 15 hectares of land for cargo storage and handling.

Terry Andrew, general manager and CEO of the Prince Rupert Port Corporation, wasn't impressed with the report, entitled, Kitimat-Terrace Port Project, Kitimat Marine Terminal Development Prospectus.

Andrew said, "If this estimate is realized it will have a detrimental affect on both the viability of the port and also on the economy of Prince Rupert. The cost of building duplicate facilities in Kitimat to draw throughput and employment from Prince Rupert is a waste of public funding as it will provide no benefit whatsoever to the region."

At the recent Port Corp. information meeting, Andrew reported that Fairview Terminal is operating at approximately 40 per cent of capacity and the forest industry in the northwest is currently depressed.

Andrew concluded, "What we will end up with is two ports in the northwest which are unable to be financially self sufficient and both will require government subsidies for continued operation."

Mayor Peter Lester still isn't convinced the project will go ahead because he says it's "a political scam and will die a natural death."

Lester added, "It would be criminal for the government to spend multi-millions on capital and operating costs when so much money is required for hospitals and schools."

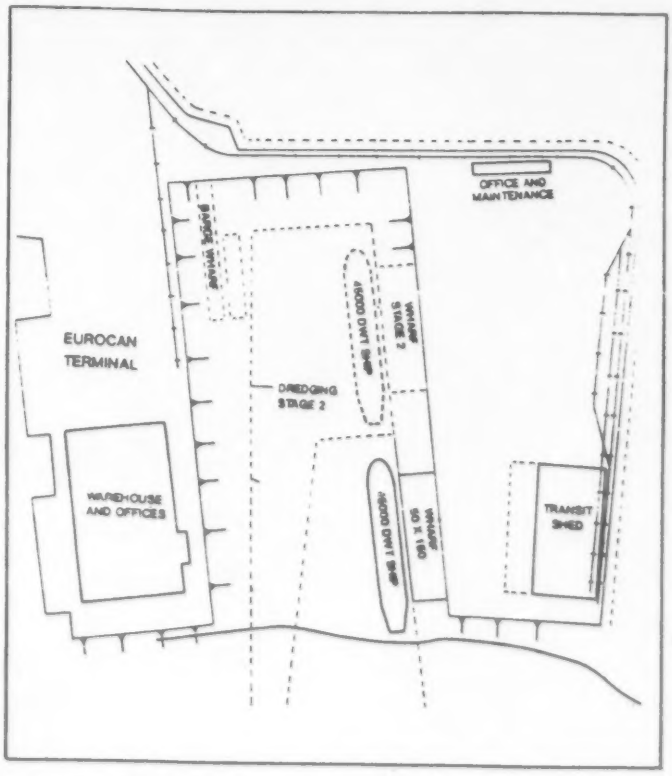
The province has not, as yet, committed funding to the project but there are indications in the report public money will be spent should the project proceed.

An access road from Haisla Boulevard to the terminal gate "is being planned by the Ministry of Transportation and Highways to provide public access to the Eurocan terminal as well as to the proposed new multi-purpose terminal."

• The new terminal in Kitimat should result in more competition between road and rail transportation, and should result in greater efficiency for both modes;

• The Kitimat terminal will provide redundancy of port services in the northwest. If the operation of one port is disrupted for some reason, the other will be able to handle some of the affected cargo;

• Increased competition between Kitimat and Prince Rupert should result in savings to users of both ports.



The report further states, "The proponent anticipates that the provincial government will conduct the dredging, filling, slope protection, and habitat compensation works required for the project."

In the project budget, the cost for dredging and habitat compensation is approximately $17 million, but no figures are given for road construction.

Benefits of the project, the report states, are:

• Reduced transportation costs for sawmills and other exporters and importers in the northwest region, who presently ship through Prince Rupert or Vancouver;

The port would initially handle "lumber presently being produced in northern B.C.," but in the long-term is also expected to handle pulp from new mills in the northwest, container traffic and raw materials.

Some cargo could be diverted from Prince Rupert and southern B.C. ports "due to transportation cost savings," and the diversion from Prince Rupert "would have an impact until it is replaced by the general growth in northwest region cargos."

Crown Lands Minister and Skeena MLA Dave Parker was unavailable for comment on the report.

Port battle gets even hotter

DN 4/18/90 P1

By PAUL LACKHOFF

Prince Rupert will fight the Kitimat port proposal at the provincial Cabinet level Alderman Paul Kennedy said last night at city hall.

Kennedy wants to take a delegation to Victoria to meet with Premier Bill Vander Zalm or "appropriate cabinet members" to argue Prince Rupert's opposition to the proposal.

The delegation, including city politicians, the Prince Rupert Port Corp., Canadian Stevedoring and the longshoremen's union will argue against the economic viability of the project.

Kennedy said he wondered why the government would "throw money to Kitimat while we are quite capable of handling lumber exports," especially when the Socreds have been calling for fiscal responsibility.

"There is only so much lumber cut between here and Prince George. We'd be dividing the pie between the two of us," and that doesn't make economic sense, he said, adding "If they can secure unspoken-for markets, then great, but I'm not for economic development on the backs of other communities."

And he said if the proposed port received provincial funding, "then we'll have two levels of government competing for export markets," which again, wouldn't make sense.

"If it doesn't make economic sense, it probably makes political sense," Kennedy said, referring to the government support as a means of bolstering the popularity of MLA Dave Parker. Alderman John Kuz said the Socred's apparent support for the port was in large part "to prop up the flagging political career of the incumbent."

The dispute has centered on whether the port will be developed with private funds or government money and how much business, if any, a new port would take from Prince Rupert.

Kennedy said he had no qualms about private development but after hearing the Cabinet would consider Kitimat's proposal today, expressed misgivings over the government's role.

"If they just build a road, fine, but if money goes into a port we'll make it as politically difficult for them (the Socreds) as possible," adding "If it's competition Kitimat wants, we'll match them."

Kitimat Mayor Rick Wozney said the port proposal had received the support of the Cabinet's sustainable development committee last Thursday and was going before the full Cabinet today.

"They may keep their decision under wraps for awhile, but I expect them to give me some indication of the decision early next week."

Referring to Prince Rupert's objections to the proposal, Wozney said, "They're arguing from a position of greed. They have things and want to keep them. I call that greed. If they maintain that attitude, Kitimat is going to start lobbying to take more things away from Rupert."

He did not elaborate on what Kitimat would compete for, saying only, "We'll surprise them."

And he added the competition from another port was "positive for both cities," as well as benefit the shipping companies. "The shippers won't be held to ransom anymore," he said.

As for the production area Kitimat is exploring, Wozney said two weeks ago that the city was looking at lumber products from the interior as well as Alberta and Saskatchewan.

Upon hearing the Cabinet would be considering the port proposal today, Kennedy admitted the planned meeting with the premier "may be too late."

However, he said since numerous letters had not been answered by the government, "a face-to-face meeting is the best way to get our position across."

Mayor Peter Lester reaffirmed Kennedy's comments and said "If they do it with private money then we'll withdraw our objections, but the fact it's going to Cabinet means there must be some form of government support. As taxpayers we object to that."

Lester added that in his opinion the government announcement stemmed from political motivation and that it was entirely possible "nothing will come from it."

Referring to Wozney's statement on competing with Prince Rupert Lester said, "It may well be Parker will get re-elected in S[illegible] riding and an NDP government [illegible] in Victoria, then where [illegible] he (Wozney) be."

Contacted this morning, Socred Dave Parker said the Cabinet was "examining the proposal in principle. We're a long way from anything being built or the allocation of funds."

He added that in his view two northwest ports "improves the asset base" and allows the region to compete with the lower mainland by attracting imports and not being confined to exporting.

"I expect the two would complement one another."

As for the injection of government money, Parker said, "It seems to me there is close to $90 million of government money in Prince Rupert's port."

Lester wants 'information' for city brief

By PAUL LACKHOFF

Mayor Peter Lester is requesting the release of so-called "confidential" information on the Kitimat port proposal so the city can prepare a complete position paper on the port.

Lester said the city is concerned that at this late date "we do not have access to certain information for the society that we require in order to complete our submission."

The deadline for submissions to the Major Project Review Process (MPRP) committee and the Kitimat-Terrace Port Society is April 12 and the city wants four documents.

The reports are the project feasibility study, the cargo forecasts, the environmental and socio-economic assessment and the geotechnical study.

Local groups are also rallying behind the city's request for a public information meeting in Prince Rupert because of the port's potential impact on the city and Prince Rupert Port Corporation.

The Prince Rupert and District Chamber of Commerce today sent a letter to the MPRP requesting "the same privilege be given Prince Rupert that has been given Kitimat and Terrace."

Chamber President Rick Lindseth wants the public meeting held before March 28 because of the April deadline.

Lindseth says there is no question the proposed port would have a "severely negative impact on the city" and stresses the importance of letting residents "address the significant impact this project will have on our community."

North Coast MLA Dan Miller said he gave Regional and Economic Development Minister Bud Smith a copy of the city's letter, but Smith said he "can't interfere with the process."

Miller added he hoped to be in contact with Smith's deputy minister today and he would stress that if the ministry is "concerned about the integrity of the process they will agree to the city's request."

"If the civil servants who are charged with administering the process have any integrity, it seems to me they have to act independently of politics," he said.

Peter Lester

Miller added the deadline should be extended because without the economic information being held back by the society, it will be "difficult to counteract their figures."

In addition to the chamber, three native groups are also calling for a public meeting.

Harold Leighton, president of the North Coast Tribal Council, wrote the MPRP adding the council's support to the city's request.

Leighton says the "socio-economic impact to our community will be significant. All local residents and residents of our surrounding villages should have the opportunity to express their concerns regarding the proposed Kitimat port."

The Lax Kwallaams Band Council and the Tsimshian Tribal Council have also thrown their weight behind the request.

APPENDIX C

EXTRACTS FROM CONSULTANT'S STUDY

The net economic benefits of the Kitimat marine terminal project are:

- Minus $17 million in the case of a single berth handling pulp and lumber. The benefits of trucking savings and the deferred expansion of Fairview Terminal in Prince Rupert do not outweigh the project's cost.

- Although the high probability forecast (Forecast 1) fully utilizes a single-berth terminal, its financial rate of return is about 4 percent with the study's best estimates of revenues and costs, well below the ten percent after-tax rate chosen as a target for this study.

- A marine terminal project under Forecast 2 conditions and with one berth between 1994 and 2000 and two berths in 2001 and beyond has an after tax rate of return of about 5 percent.

- With the cargo volumes of Forecast 3 and two berths ready by 1996, the financial rate of return is ten percent.

Pro forma financial analyses showed:

- That in the combined case of Forecasts 1 and 2, a single-berth terminal handling lumber and pulp will require a large amount of initial equity capital if it is to be financially successful. The project has only limited ability to service debt.

Infrastructure costs which the provincial government may incur as part of this project include:

- Rail access to the terminal site: $3.2 million.
- Dredging, land reclamation and habitat compensation for Stage 1: $13.0 million.
- Dredging, land reclamation and habitat compensation for Stage 2: $8.2 million.

Government development of the site for lease to a private terminal operator would allow a lease rate that permits the terminal operator to receive an adequate rate of return on his capital investment even in the case of Forecasts 1 and 2.

3.3.2 Rail Line Upgrading

Research and discussions with prospective users have shown that to some degree the preser rail spur to Kitimat constrains the market potential of the marine terminal and the port ir. general. The problems with the rail line fall into two general categories: the load limits of the bridges are below those necessary for fully-laden cars transporting several kinds of traffic such as petrochemicals and the higher densities of pulp, and beyond these limitations the grades and curvatures of the line will not allow passage of the long unit trains that are typical of large-volume movements of bulk cargoes.

Of these two, the load limits are of most relevance to this project in that they affect the kinds of cargo that a multi-purpose terminal could attract. The market review showed that there is essentially no potential for the large-volume bulk materials such as coal that would require a unit train service.

Recent discussions with Canadian National Railways (CNR) revealed that the railway has an on-going program of bridge replacement that will finish by the year 2000. The railway must replace these bridges because of their age and condition, and is increasing the axle load limits to allow passage of fully-laden 100 ton capacity cars. Because the bridge replacement is only a minor program, it is reasonable to expect that it could be accelerated if the railway had reason to do so. The development of a multi-purpose terminal at Kitimat may be sufficient reason for this.

3.4.4 Copper and Concentrates

A copper smelter has been proposed by developers who are looking closely at the North Coast region. This project, which is targeted for 1996 or 1997, is still at an early stage of evaluation. A number of other potential mineral projects and interesting mineral deposits have been studied in the region. Continental Gold's copper development is a good example of continuing exploration and interest in this area of opportunity.

The proposed copper smelter is only one of several possible industrial development projects for the Kitimat-Terrace corridor. For purposes of these marine terminal forecasts, the copper smelter is taken to represent this general class of industrial opportunities which could capitalize on the ready availability of land and energy, and generate cargoes at a multi-purpose marine terminal.

Under this scenario the terminal would ship copper from a smelter located near the Kitimat port facility. Power would be supplied from Kemano, and concentrates would be barged and railed into the facility. The lack of a mainline standard rail line could, however, influence the decision to build the facility at Kitimat.

With an upgrade of the rail line, the likelihood of building the copper smelter at Kitimat would be slightly improved. The efficiency of handling inbound concentrates and outbound finished product shipments could be enhanced by the improvement of the rail line, and this would increase the overall viability of the project. Volumes handled would remain the same as would the date of development.

APPENDIX C

PORT OF PRINCE RUPERT

VESSEL AND CARGO MOVEMENTS

1985 - 1989

APPENDIX C

PORT OF PRINCE RUPERT

VESSEL AND CARGO MOVEMENTS

1985 - 1989

YEAR	TOTAL CARGO (TONNES) (000'S)	DEEP SEA VESSELS	OTHER VESSELS	TOTAL VESSELS
1985	10,065	366	1,188	1,554
1986	10,680	349	1,207	1,556
1987	13,405	491	1,122	1,613
1988	12,442	487	1,133	1,620
1989	11,332	468	1,237	1,705

For the purposes of this marine terminal forecast it has been assumed that Alcan will expand by 160,000 tonnes of finished product by the year 2000. This will create an additional import and export volume of 665,000 tonnes. A multi-purpose terminal could potentially handle some of the outbound aluminum ingots. According to company representatives, however, the likelihood of Alcan using a third-party terminal is considered to be very small, due to Alcan's plans to expand their own port facilities and keep all shipping operations on site.

Copper Smelter

While the copper smelter discussed elsewhere in this report was judged to have a low probability of occurring, the probability of some currently unspecified plant with comparable characteristics of cargo generation is higher. The implications of this category of industry are discussed in the economic analyses of Chapter 10.

Aluminum Ingot

While Alcan has said that they definitely would not use a public port terminal, the situation may change in future. A low probability has been assigned to the evolution of some aluminum ingot beyond the year 2000.

For economic analysis purposes, forecasts have been made of cargo at Fairview Terminal in Prince Rupert with and without a new terminal at Kitimat. These forecasts are included in Appendix A-6. For purposes of this analysis, it has been assumed that much of the cargo forecast for the Kitimat terminal could be handled at Fairview if the Kitimat terminal is not constructed. The 300,000 tonnes of lumber expected to be diverted from Prince Rupert has been converted to 408,000 tonnes for use in Appendix A-6. This was done so that the overall tonnage figures would be compatible with Prince Rupert Port Corporation statistics which are based on a different conversion from net board feet to tonnes than has been used in the Kitimat forecasts.

Potential capacity of the existing three berth Fairview Terminal has been estimated by Prince Rupert Port Corporation to be in the order of 1.8 million tonnes per year. Based on Forecast 3 cargoes, Fairview Terminal would theoretically be fully utilized and require addition of a fourth berth by approximately 1997 if no new facilities are built at Kitimat. In the absence of a new copper smelter or equivalent industrial project, the fourth berth at Fairview would not be required until about 2014 if no new port facilities are built at Kitimat.

If the multi-purpose terminal is constructed at Kitimat, Fairview Terminal would probably operate below its full capacity throughout the forecast period.

Consideration was also given to possible impact on the port of Stewart. Stewart is presently handling significant volumes of logs, but little else. The proposed multi-purpose terminal at Kitimat is not expected to have any impact on present operations at Stewart.

Approximately 36 hectares of fisheries habitat is potentially impacted by the proposed development including 18 hectares of intertidal sand/mud habitat which would be permanently lost by filling and 18 hectares of tidal habitat which would be rendered less productive due to the proposed dredging. The proposed port development is expected to affect 40 to 50 ha of wildlife habitat in and adjacent to the site. Potential impacts to water quality are related to dredging and filling but are expected to be limited to temporary increases in suspended solids. Potential impacts on atmospheric resources are expected to be minimal. There are no known archaeological resources at the proposed terminal site or at the proposed marsh construction area at Minette Bay.

5.5 Navigation

5.5.1 Anchorage

Navigation to and from Kitimat for deepsea ships poses no unusual problems. The main navigation issue affecting deepsea ships visiting Kitimat is the limited anchorage available at the head of Douglas Channel. There is anchorage for up to three vessels on a fair weather only basis. The anchorage is limited to the slope at the south edge of the Kitimat River estuary. Anchorage is not feasible during strong winds, because of close proximity of shallows to the north and deep water to the south. Water depths are too deep for anchorage throughout the rest of Douglas Channel and too deep for practical installation of mooring buoys.

There are some potential emergency anchorage locations near the entrance to Douglas Channel, however, the closest secure anchorage is at Prince Rupert.

The proposed terminal would likely limit anchorage at Kitimat to two vessels to avoid interference with the approach to the new terminal.

Some difficulty has been reported in berthing ships in the northerly berth at Eurocan. Gantry vessels in the southern berth must stop loading and stow the offshore projection of their cranes during berthing/deberthing from the north berth.

In cases of strong winds, it has been necessary to remove the vessel in the south berth prior to berthing at the north berth. This problem is due to the limited width of the dredged channel, and could be alleviated by widening the channel.

5.8.10 Eurocan Expansion

Development of the proposed multi-purpose terminal could limit or eliminate some options for future expansion of the Eurocan terminal. Long term expansion possibilities considered by Eurocan are understood to include a new sawmill, a third deepsea berth and a rail spur. The most desirable location for a third deepsea berth would be on the east side of Eurocan's fill adjacent to the pulp warehouse. This would require a dredged access channel similar to that provided for the original Eurocan deepsea berth.

5.9 Environmental Considerations

The site is located on valuable marine habitat in the Kitimat River estuary. Compensation works will be required to replace the habitat lost to the project. Compensation will be required both for filled and dredged areas.

The terminal layouts included in this study therefore have substantially greater total area than that indicated by DFO's 1985 study as suitable for development. Development of habitat

6.2.3 Impact on Kitimat River

As is evident on Figure 5.1, the proposed terminal would block off approximately one third of the gap between Eurocan and the east shore of Kitimat Arm. This would result in an increase in average current velocities on bth flood and ebb tide in the zone immediately east of the terminal. This change in averag velocities could be in the order of 25 percent. Maximum velocities would probably only e slightly affected as they would tend to occur near low tide when most of the flow is presently restricted to the narrow deep channels.

The change in average velocity and locatio of the edge of the terminal would cause some re-configuration of the flats east of the terminal. It is possible that the river mouth channel would migrate further east towards the Minette Bay entrance channel.

Effects farther upstream or in Minette Bay are expected to be minor or non-existent, however, hydraulic analysis would be required to confirm this. Current measurements, soundings and bed sampling would be required to provide a basis for numerical modelling.

No allowances are included for land acquisition for rights-of-way and water lots. In the case of property controlled by Eurocan, it is assumed that provision of public highway and rail access to their existing terminal would offset the value of the required property. In the case of Alcan land required for the access corridor, the present land value would tend to be offset by enhanced value of adjacent land due to road and rail access. In the case of the potential habitat compensation area at Minette Bay, it is understood that Alcan is considering dedicating the area for wildlife and recreational purposes. Marsh construction would probably be compatible with such a dedication, hence land acquisition costs for marsh construction may be nominal. This issue has not been discussed with either Eurocan or Alcan, and will need to be negotiated. These assumptions are considered suitable for financial and economic analysis purposes.

7. Costs associated with permitting are not included.

7.6 Schedule

The Department of Fisheries and Oceans has identified a 3 month window from November 1 to January 31 as the only time when dredging for such a project should take place. This places a major constraint on timing of the dredging and land reclamation phase of the project.

The above schedule and capital cost estimates assume that the dredging and load reclamation will be done in two stages. This approach would minimize the capital cost requirements in the initial stage, but would require re-mobilizing dredging equipment and completion of habitat compensation works in Stage 2.

The main benefit to quantify is the differential in trucking cost for the shippers that will use the new terminal. The review of trucking freight rates in Chapter 3 and Appendix A provided a measure of the differential in lumber trucking rates in today's market. Because general experience in B.C. suggests that trucking rates do not reflect costs for a variety of competitive reasons, actual trucking costs were investigated.

[illegible]

10.2.2 Non-Quantifiable Benefits

The multi-user marine terminal will have a number of important benefits to B.C. which are not readily quantifiable. These include:

1. The development of the marine terminal will create the potential for a third deepsea berth on the west side of the basin, possibly for use by Eurocan.

2. Establishing a marine terminal at Kitimat will introduce port competition into the north. Competition between Kitimat and Prince Rupert may encourage the terminal operators to be more efficient than they would otherwise be.

3. The Kitimat marine terminal will change the relative competitiveness of truck and rail [illegible]

4. The Kitimat marine terminal will [illegible] the redundancy of port services in the North West. If the operation of one terminal is disrupted for some reason, the other will be able to handle some of the affected traffic.

Sandwell

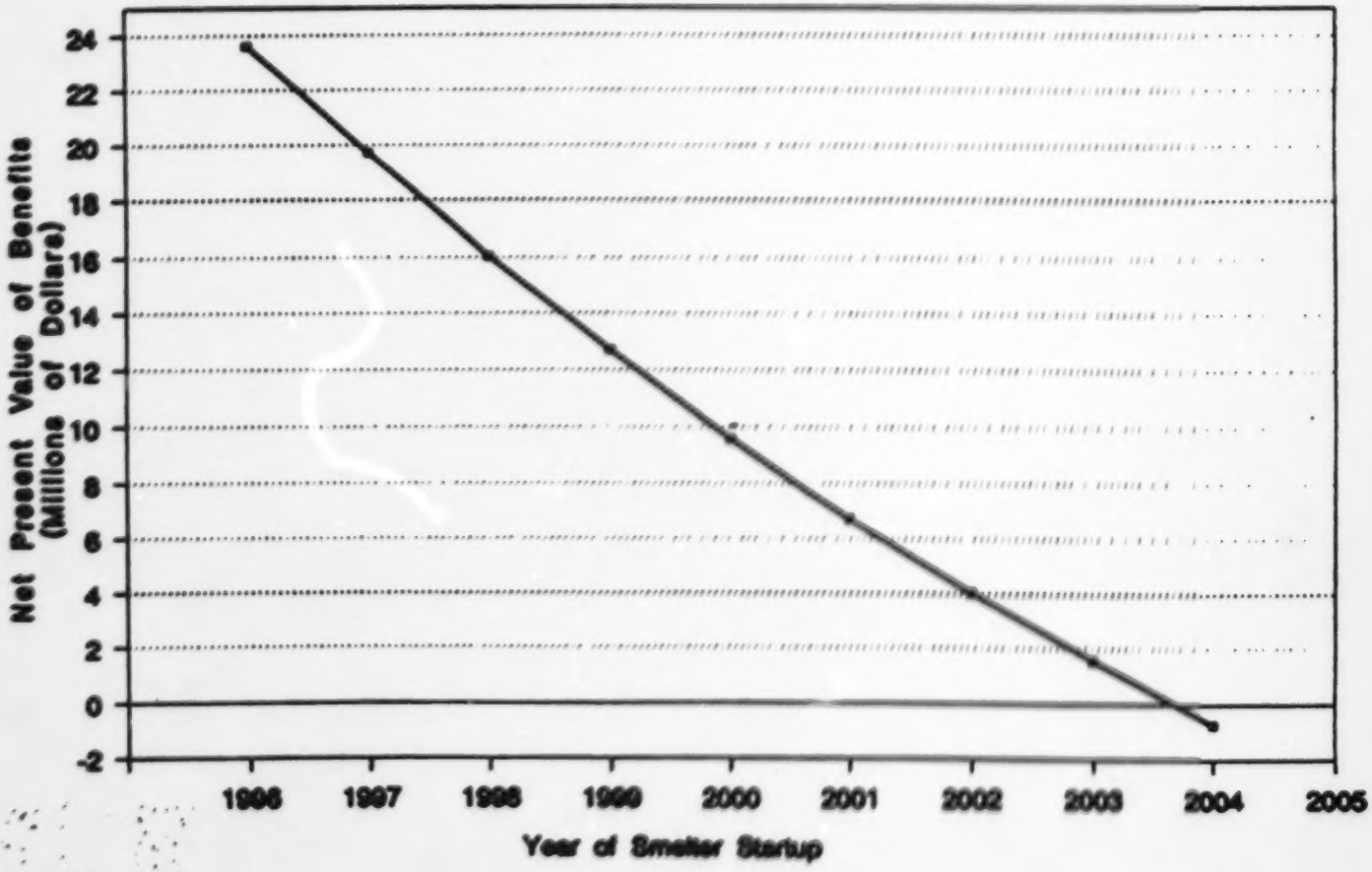
[illegible]												2005	2010	2015
[illegible]												12	17	22
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,016	2,016	2,016
[illegible]					[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	682	682	682
[illegible]												2,698	2,698	2,698
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0	0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,704	1,704	1,704
Infrastructure Capital														
Pre-Operating Expenses	0	0	134	485	0	0	0	0	0	0	0	0	0	0
Total Costs	0	0	13,166	28,013	1,704	8,379	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Net Benefits	0	0	(13,166)	(28,013)	84	(1,317)	877	993	994	994	994	994	994	994

Present Value of Benefits and Costs	
Benefits	
Reduction in Lumber Trucking Costs	16,690
Reduction in Pulp Trucking Costs	4,814
Avoided Fairview Expansion Cost	11,089
Land Transport Benefits to Heavy Industry	0
Bulk Barge Berth Benefits to Heavy Ind.	0
Packet Cruise Industry Benefits	0
Total Benefits	32,588
Costs	
Marine Terminal Fixed Working Capital	587
Marine Terminal Capital	32,486
Marine Terminal Fixed Operating	14,438
Infrastructure Capital	1,270
Pre-Operating Expenses	435
Total Costs	49,215
Net Benefits	(16,712)
Discount Rate (%):	8.00%
Economic Rate of Return (%)	2.55%
Benefit-Cost Ratio	0.66

Note: Working capital includes only cash and spares inventory. Other working capital items such as accounts receivable are not economic costs.

Sandwell

FIGURE 10-1 IMPACT OF TIMING OF SMELTER STARTUP



- The base case results, at 7.6 percent before tax and 3.7 percent after, are well below the target of ten percent.

- The base case results (9.9 percent before tax and 5.3 percent after) are above those of the single berth of Forecast 1. The second berth is a worthwhile investment because it improves the overall rate of return of the project.

- The standard sensitivity analyses do not change the findings of the base case: the after-tax rate of return remains below ten percent.

Forecast 3

The base case of Forecast 3 involves building a single berth to begin operations in 1994 and a second berth for 1996 to handle the traffic generated by a copper smelter as well as pulp and lumber. The first two operating years are the same as those of Forecast 1 and 2, but the throughput increases with the second berth to 878,000 tonnes a year in 1996 and to capacity of 1,052,000 tonnes a year by 2002.

Table C3 (Appendix C) presents the upper part of the financial model of this case. Table 11.5 summarizes the base case and sensitivity analyses:

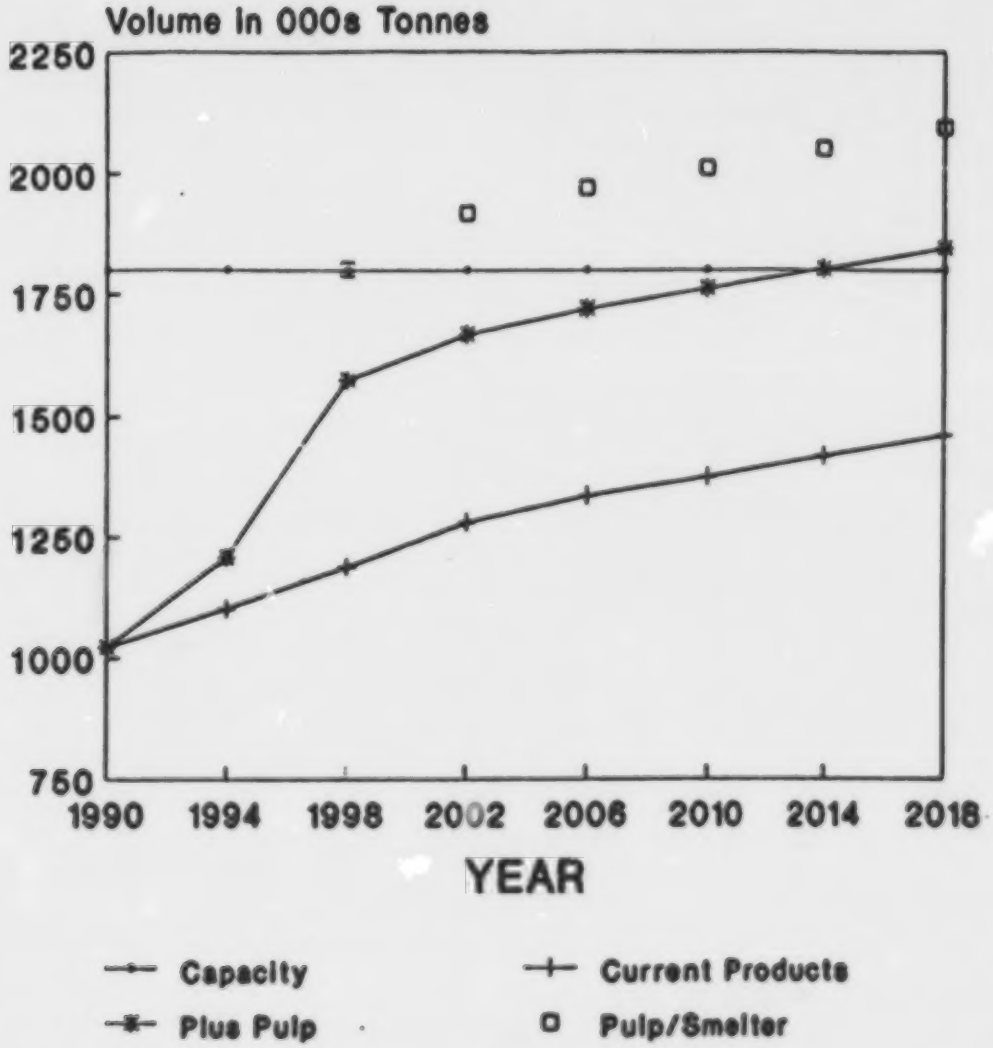
- The after-tax rate of return of the base case just meets the ten percent target.

- The negative variation of the standard sensitivity factors results in a rate of return below ten percent.

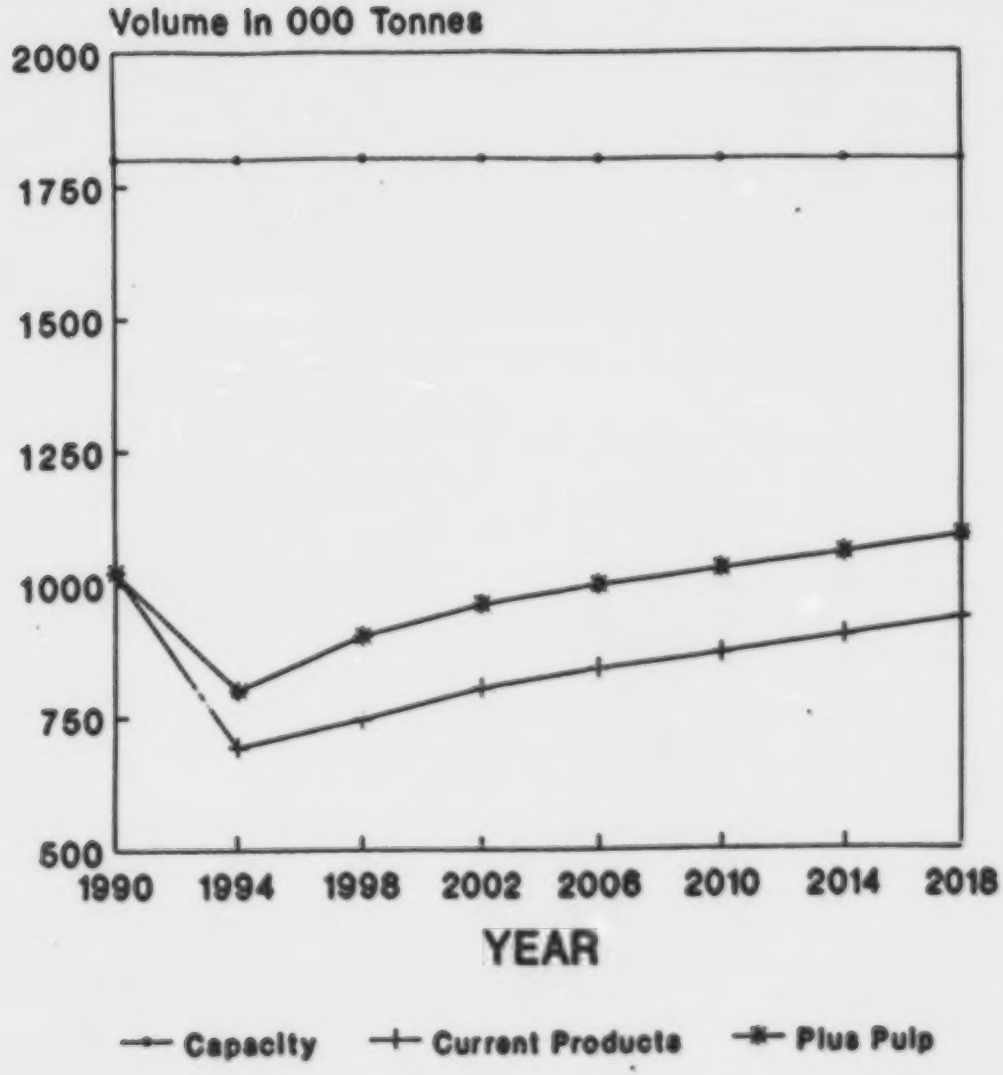
The analyses of Sections 11.3 and 11.4 above have shown that the Kitimat Marine Terminal would not be attractive to a private developer under the conditions of Forecasts 1 and 2 if he had to pay the full costs of site development. Although the terminal would be an attractive investment under Forecast 3 conditions, the low probability of this case would cause a private company to discount its prospects.

The discussion in Section 11.5 showed that the government could provide the infrastructure and lease it under terms that make the terminal financially attractive to a developer. Although the annual lease rate would be subject to negotiation and depend in part on the outlook and strategic considerations of the developers bidding for the terminal, it would most likely be less than that of a normal commercial lease. Leasing does provide a mechanism to get a private terminal in place in the near future to provide a strategic link in the development potential of the Terrace-Kitimat industrial lands.

FAIRVIEW TERMINAL PROJECTIONS
Without Kitimat Terminal



FAIRVIEW TERMINAL PROJECTIONS
With Kitimat Terminal



KITIMAT–TERRACE MARINE TERMINAL FORECAST

FAIRVIEW CAPACITY CONSTRAINT ANALYSIS

With a Terminal at Kitimat

Volume in 000 Tonnes

	Current Capacity	Current Volumes Lumber	Grain	Concentrate	General	Total Current	Pulp Additions	Total Cur + Pulp
1988	1,800	807	178	53	7	1,045	0	1,045
1989	1,800	792	135	64	7	998	0	998
1990	1,800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1,800	816	[illegible]	[illegible]	[illegible]	1,041	68	1,109
[illegible]	1,800	832	155	[illegible]	[illegible]	1,051	68	1,129
[illegible]	1,800	848	160	[illegible]	[illegible]	1,081	68	1,149
[illegible]	1,800	468	162	[illegible]	[illegible]	654	105	759
[illegible]	1,800	467	165	[illegible]	[illegible]	705	105	811
[illegible]	1,800	476	169	[illegible]	[illegible]	719	156	875
[illegible]	1,800	486	172	[illegible]	[illegible]	733	156	889
[illegible]	1,800	496	175	[illegible]	[illegible]	746	156	902
[illegible]	1,800	506	179	[illegible]	[illegible]	760	156	916
[illegible]	1,800	516	183	[illegible]	[illegible]	774	156	930
[illegible]	1,800	526	187	[illegible]	[illegible]	789	156	945
[illegible]	1,800	537	190	[illegible]	[illegible]	[illegible]	156	[illegible]

7. Availability of the necessary land and water areas for an efficient non-bulk, multi-purpose marine terminal need to be confirmed. Two factors create uncertainty as to the availability.

   - The environmental constraints on the availability of the required area on the Kitimat foreshore. The proposed terminal layout exceeds the 300 m x 500 m envelope identified in previous studies by the Department of Fisheries and Oceans as suitable for port development.

   - Eurocan's water lot area to the immediate east of its terminal. The site for a multi-purpose Kitimat marine terminal must include this area. A right-of-way is also required across Eurocan property for the port access road and rail lines.

8. The most favourable method of compensating for the loss of marine habitat appears to be creation of up to 20 hectares of intertidal marsh adjacent to the west shore of Kitimat Way.

10. The net economic benefits of the Kitimat marine terminal project are:

- Minus $17 million in the case of a single berth handling pulp and lumber. The benefits of trucking savings and the deferred expansion of Fairview Terminal in Prince Rupert do not outweigh the project's cost. This outcome results from the low capacity utilization of Fairview; were Fairview approaching capacity, the benefits of creating a new terminal at Kitimat would outweigh those of expanding the former.

1 *Although the high probability forecast (Forecast 1) fully utilizes a single-bank terminal, its financial rate of return is about 4 percent with the study's best estimates of revenues and costs, well below the ten percent after-tax rate chosen as a target for this study.*

APPENDIX D

CORRESPONDENCE

Prince Rupert Port Corporation
La Société du Port de Prince Rupert

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Prince Rupert, B.C.
V8J 1K6
(604) 627-7545
Telex 047-88192
Fax (604) 627-7105

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March 28, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin:

RE: MPRP, KITIMAT MARINE TERMINAL

[illegible]

[illegible]

[illegible]

Before discussing the guidelines and questions, we wish clarification on the process being followed. Page 7 of the Guidelines "Stage 1 Analysis and Review" - sub-heading "Public Consultation" requires the proponent to hold public information sessions. We are under the impression that the Project is at the "Prospectus" stage, and has not been referred to Stage 1 as yet. Could you please explain why the proponent is holding public information sessions at the prospectus stage? Will the proponent be holding public information sessions at the Stage 1 process as well? (assuming that the project goes to stage 1).

We are concerned that it appears that the MPRP is not following its own Guidelines and processes. Are you, for example, "fast-tracking" this process?

In terms of the following questions, the relevant sections of the Guidelines will appear first, and the question(s) will follow. Where sections or words are emphasized, the emphasis is ours. Questions are sequentially numbered to facilitate reference.

> Ensuring the financial commitments of proponents are consistent with the level of government endorsement;
> Ensuring projects receive adequate assessment of their environmental and socio-economic impacts;
> Encouraging early development of management plans for the environmental and socio-economic impacts of major projects;
> Providing a streamlined approval process for projects with no major environmental or socio-economic impacts; and
> Identifying and addressing community concerns about major projects, and disseminating information to the public.
>
> Page 7, Guidelines

Question(s):

1. Since the above are the stated objectives of the MPRP, is the MPRP undertaking any of the above objectives?
2. If not the MPRP, is any Government Ministry or agency doing so?

/3

y relevant data, studies etc.
ilable to you?

3. If so, can we have an
conducted by you, or ava

addressed "community concerns"
of the project on employment in

4. Have you identified and
e.g. the likely impact
Prince Rupert?

ION AND REVIEW

PROSPECTUS PREPARA
PROSPECTUS CONTENT
Proponents are
Prospectus with
begin the Major
least 75 copies
The purpose of th
an overview of th
should include
proponent's cor
substantive desc
including preferre
description of th
and socio-economic
how these are to
2).

quired to file a Project
he Steering Committee to
roject Review Process (at
ill usually be required).
prospectus is to provide
project. The prospectus
concise resume of the
orate activities, a
iption of the project,
sites and schedules and a
e potential environmental
impacts of the project and
e addressed (see Appendix

Page 7. Guidelines

QUESTION(S)

5. The Prospectus contains
some of the socio-econ
or how these are to be
project is likely to
employment from Prince
Rupert are to be addres

information and description of
mic impacts but no information
addressed. Specifically, the
ause significant diversion of
Rupert. Has the proponent
and other benefits from Prince
ed?

ovincial government dealt with
t from one region to another,

6. Are the ARDA or the Pr
this shift of employment
and the impacts?

information if these have been

7. Could we please obtain
some?

../4

> Projects with unresolved technical, social or environmental issues will require Stage 1 review. In cases where the outstanding issues are not considered to be resolvable, the project may be rejected at the end of the prospectus review.
>
> Page 7. Guidelines

QUESTION(S)

8. The proponent states in the Prospectus that habitat loss compensation procedures are yet to be confirmed by the responsible federal agencies. Have the federal agencies given such confirmation?

9. If not, is this not sufficient by itself, to refer the process to Stage 1, assuming, as we will be contending, that the prospectus does not die at the prospectus stage?

10. Could we have information on exactly what the proponent has done in its dealings with federal agencies? Has the proponent, for example, referred the habitat loss compensation procedure to the federal agency(ies), and if so, what if any, has been the federal response?

> FINANCIAL ANALYSIS
> If at any stage of the review process, publicly financed infrastructure or other types of government assistance are requested or substantive and costly mitigation requirements are identified, then the Steering Committee may request that the proponent submit a confidential financial feasibility analysis of the project to the Ministry of Regional and Economic Development. The Ministry will review the analysis and advise the Steering Committee as to the status of the requested government assistance and/or the capacity of the project/proponent to meet mitigation requirements.
>
> Page 8. Guidelines

../5

QUESTION(S)

1. The Proposal both requests government assistance, and identifies substantive and costly mitigation requirements. Has the Steering Committee requested that the proponent submit a confidential financial feasibility analysis to the Ministry of regional and Economic development?

12. If so, has the Ministry advised the Steering Committee as to the status of the requested government assistance and/or the capacity of the proponent to meet mitigation requirements?

13. Assuming that the Ministry has done so, could we obtain the Ministry's findings/conclusions/recommendations?

N.B. While the Guidelines protect the confidentiality of the proponent's submission, there is no such protection for the Ministry's findings etc.

PUBLIC INVOLVEMENT
The objective of seeking public involvement is to receive and respond to the broad range of public concerns regarding the project.
Page 9. Guidelines

QUESTION(S)

14. During the public information sessions, the proponent repeatedly stated that he would not disclose financial and economic analysis purportedly done by Price Waterhouse.

Could you please let us know how the above objective of seeking public involvement can be obtained when the proponent is withholding such information from the public?

15. Will the MPRP be requiring the proponent to make this information available to the public?

N.B. It is common practice to make sufficient information available without breaching confidentiality as is well-known by the MPRP Steering Committee.

../6

16. If the proponent is unwilling to disclose such information which is vital to the public's understanding of the proposal, will the MPRP either reject the prospectus, or hold any other action in abeyance until the proponent satisfies the requirement for public information?

N.B. The members of the MPRP do not need us to tell them that the spirit of public involvement and the intent of the MPRP process itself is to ensure that the public makes a well-informed review of any major project. Withholding key information makes a mockery of the process.

Yours faithfully,

Terrence R. Andrew, P.Eng.,
General Manager and
Chief Executive Officer

cc: Hon. William Vander Zalm
Premier
Province of British Columbia

Hon. Cliff Serwa
Minister of Environment
Province of British Columbia

Hon. Bud Smith
Minister of Regional & Economic Development
Province of British Columbia

Province of
British Columbia

Ministry of
Regional and
Economic Development

712 Yates Street
Victoria
British Columbia
V8V 1X5

April 8, 1991

Mr. Terrence R. Andrew, P. Eng.
General Manager and
Chief Executive Officer
Prince Rupert Port Corporation
110 3rd Avenue West
Prince Rupert, British Columbia
V8J 1K8

Dear Mr. Andrew:

Thank you for your letter of March 28, 1991, concerning the Kitimat marine terminal project proposal and the Major Project Review Process (MPRP).

Before dealing with the specific questions raised in your letter, I believe it would be useful to point out that the MPRP is primarily a process for identifying and assessing environmental and socio-economic impacts. Its purpose is to ensure that legitimate technical, environmental, socio-economic and community concerns associated with major development projects are identified, and that feasible and effective means for managing them are committed to.

The MPRP is a staged review process. The number of review stages which a project is subject to depends on the significance of the project's impacts. Projects with no significant impacts, or for which the impacts can be readily mitigated or managed, will normally require fewer stages of review than projects with significant impacts.

In response to your query concerning the Kitimat marine terminal proposal, I wish to confirm that this project is currently being reviewed at the Prospectus stage of the MPRP, not Stage 1. The requirement for a public information meeting at the Prospectus stage of review has been in place since last September, and was initiated in response to public comments on earlier MPRP project reviews.

.../2

Upon completion of the review of the Kitimat-Terrace Port Society's Prospectus, a decision will be made to either approve the project in principle subject to project-specific conditions, to require further study (at the Stage 1 and/or Stage 2 level), or to reject the project. The Major Project Steering Committee, which administers the MPRP, anticipates that a decision on this project will be made by mid-May. The rationale for the decision will be documented in the Major Project Steering Committee's report on the Prospectus, which will be made public. All submissions by the public and government agencies will also be released.

As in other MPRP project reviews, the decision will take into account the views of all member agencies of the Major Project Steering Committee, including federal agencies. It should be noted that pertinent federal agencies have been sent copies of the Prospectus, and have been asked to identify whether or not further assessment of this project under the federal Environmental Assessment and Review Process (EARP) will be required.

Turning now to the specific questions raised in your letter, my responses (below) are in the same order as the questions in your letter of March 28, 1991.

QUESTION 1: Yes, the review of the Kitimat terminal proposal will be undertaken in accordance with the objectives of the MPRP.

QUESTION 2: Government agencies at the federal, provincial and local levels are presently reviewing the Prospectus in accordance with their mandate and jurisdictional responsibilities. The Major Project Steering Committee is responsible for assessing agency and public comments, and developing a consensus on the disposition of the Prospectus.

QUESTION 3: No written agency comments have been received to date. Agency comments will be made public.

QUESTION 4: Community concerns are to be identified through the written comments anticipated from the public and hearings on the Prospectus. Comments from the public will be important in determining community concerns.

.../3

QUESTION 5: The only information which the proponent has provided us with regard to job impacts in Prince Rupert is that which is contained in the Prospectus document and, as of today, the material in the Sandwell feasibility study.

QUESTION 6: Not yet, as the Prospectus review is still underway.

QUESTION 7: Not applicable.

QUESTION 8: Relevant federal agencies, including the Department of Fisheries and Oceans, have been given copies of the Prospectus, and are expected to comment on the proponent's proposal for habitat compensation as part of their review.

QUESTION 9: The comments of federal agencies on all aspects of the project, including habitat compensation, will be taken into account when the decision on disposition of the Prospectus is made.

QUESTION 10: The Prospectus has been referred to the pertinent federal agencies for review. I am not aware of whether the proponent has had discussions or meetings with these agencies.

QUESTION 11: No.

QUESTION 12: Not applicable.

QUESTION 13: Not applicable.

QUESTION 14: I understand that the requested feasibility study has now been released by the proponent, and is available for public viewing at local public libraries.

QUESTION 15: Not applicable.

QUESTION 16: Not applicable.

.../4

I trust that this information will assist you in the preparation of your submission to the Major Project Steering Committee. Please contact me if you have any further questions on the review of this project under the MPRP.

I look forward to receiving your submission.

Yours sincerely,

Derek Griffin

Derek Griffin
Coordinator
Major Project Review Process

cc: The Honourable Rita Johnston
Premier of the Province of British Columbia

The Honourable Bud Smith
The Honourable Cliff Serwa
Members, Major Project Steering Committee

Prince Rupert Port Corporation
La Société du Port de Prince Rupert

110 3rd Avenue West
Prince Rupert, B.C.
V8J 1K8
(604) 627-7545
Telex 047 89192
Fax (604) 627-7101

110, 3e ave. ouest
Prince Rupert (C.-B.)
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(604) 627-7545
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Fax (604) 627-7101

March 22, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin

RE: PUBLIC MEETINGS REGARDING THE PROPOSED TERMINAL AT KITIMAT

We are concerned that these meetings which according to the Major Project Review Process, are designed to be informational in nature, have been turned into confrontational contests pitting one community against another. We are further concerned that the Chairman of the public meetings, Mayor Rick Wozney of Kitimat, is promoting this confrontational atmosphere.

For instance, at the Kitimat meeting Mayor Wozney indicated that bus transportation had been arranged to allow residents from Kitimat to attend the second session in Terrace. He also indicated that the full consultant's report, even though it was paid for with tax payers dollars, would not be released because Prince Rupert would be able to use the information to build more terminals.

We feel that the manner in which these meetings are being conducted is not covering the intent of the Major Project Review Process and consideration should be given to rescheduling these meetings, with an impartial chairman, so that information can flow as is the intention of the Major Project Review Process.

../2

We should note that the proponent of the Port of Kitimat indicated that there will be a significant impact on the cities of Prince Rupert and Port Edward in terms of job loss and relocation of economic activity. In view of this information, we would request that a hearing be scheduled for Prince Rupert forthwith so that the concerns of the community can be heard.

Yours truly,

Terrence R. Andrew, P.Eng.,
General Manager and
Chief Executive Officer

cc: Hon. William Vander Zalm
Premier
Province of British Columbia

Hon. Cliff Serwa
Minister of Environment
Province of British Columbia

Hon. Bud Smith
Minister of Regional & Economic Development
Province of British Columbia

Province of
British Columbia

Ministry of
Crown Lands

Parliament Buildings
Victoria
British Columbia
V8V 1X4

OFFICE OF THE
MINISTER

December 20, 1990

Mr. D.H. Seidel
Chairman
Prince Rupert Port Corporation
110 3rd Avenue West
Prince Rupert, British Columbia
V8J 1K8

Dear ~~Mr. Seidel~~:

Thank you for your letter dated December 4, 1990, regarding the study conducted by Sandwell Swan Wooster Ltd. on phase one of the Kitimat/Terrace Port.

When the reports have been fully considered by Cabinet, they may be made available.

Yours truly,

Dave Parker
Minister

K-PART #25

Kitamaat Village Council

HAISLA P.O. BOX 1101, KITAMAAT VILLAGE, B.C. V0T 2B0 TELEPHONE 639-9382, 639-9381 OR 639-9383 FAX 639-2840

April 11, 1991

Mr. Derek Griffin
Coordinator MPRP
Ministry of Regional and Economic Development
712 Yates St.
Victoria
BC, V8V 1X5

Dear Mr. Griffin :

Please find enclosed our comments concerning the Kitamaat Terrace Port Project.

Although I had been asked to sit on the Port Development Committee, this never meant that I would necessarily endorse the project. All through the development phase, I have voiced my concerns openly. There now is a Port Society established, to which it is expected that we will participate. Our present non-involvement has been suggested to be as a consequence of needing to wait for an impending Haisla election. That is not the case. Rather our reason for not being involved is because the Society's mandate is to be proponent for the development. Until our concerns are fully addressed, we are not prepared to be a proponent.

Such concerns are related to the physical obstruction created by the port and its consequences on water movements in the estuary, Minette Bay, and also likely the Kitamaat River itself. The possibility of detrimental effects on the fisheries and other resources in that area are unacceptable to our people.

Also a major consideration is the likely contamination of the sediments that will be brought to the surface and used for port structures. This point requires very serious consideration, given the chemical contamination of the Kitamaat environment from past and present industrial activities. The material presented in the prospectus is totally insufficient to conclude that the sediments are not contaminated. Kitamaat Village Council will oppose any dredging until properly analyzed data demonstrates that bringing up the sediments will not also bring contaminants which can enter the food chain.

Finally the navigational constraints in Douglas Channel should have been addressed in the prospectus. That point does not appear to have been addressed in any satisfactory manner.

[illegible] assist in determining the merits of this proposal and welcome the recognition of our stake in this matter.

Please find our additional comments in the attached pages.

Yours truly,

Gerald Amos
Chief Councillor

cc: Rabi Alam, NIAC
Jim Fulton, M.P.
Hartley Bay Band
Kitamaat Terrace Port Society
Dave Parker, MLA
Les Powell, DFO, Chairman of HARP Task Force for the Port Proposal
Bruce Rawson, Deputy-Minister, DFO, Ottawa

EFFECTS ON THE KITAMAAT RIVER AND ESTUARY

1-Effects on the Kitamaat River estuary water movements

There is a blatant need for study of the effects of the proposed development on the Kitimat River estuary water movements. The prospectus mentions that the proposed port will create an obstruction of one-third of the gap between Furocan and the east shore of Kitimat Arm and a change of average velocities of approximately 25%.

The implications of such physical obstruction created by the port structures must be addressed. In Volume 2, under "Hydrology and Water Circulation" there is mention of "an eddy with clockwise circulation [..] reported to occupy the northwestern corner of the inlet". Certainly some modeling of the delta circulation should help to predict how the obstruction will affect the current gyre.

The need for such modeling is confirmed on page 15 of volume 2; "a dye study shows that water movement would be southward at ebb or changing tides and calm or northerly wind, and northwards towards the dredged channel at flood tides (Warrington 1987). However, water quality of the Kitimat River Delta including Minette Bay could be affected when there are strong cross winds".

This could have profound consequences on the biology of the estuary. From the point of view of the Natsla people, the estuary is a very important area for the rearing of juvenile salmon and also likely, for eolichan. The latter occupy the estuary before their final migration to their spawning grounds up the Kitimat River. It is only too evident that significant changes to the water movements and water quality in that area could affect the very fine tuned biological sequence of events for such migrations to occur.

The same applies to the larval forms as "juvenile eulachon may also utilize the estuary, using deeper water as they grow".

Kitamaat Village Council is asking for proper studies of the water movements in the Kitamaat delta, and modeling of the projected effects of the port structures on such movements. In our view and from our experience, any further disruptions to fish movements should bear heavily against the port proposal.

2-Prograding of the Kitamaat River delta front

The configuration of the Kitamaat River estuary is obviously related to the sediment input of the Kitimat River. A rapid rate of logging in the Kitimat Valley in the early 70's has been

[illegible] he hydrology of the system. [illegible] filled up by huge amounts of soil [illegible] rosion. Gottesfeld (1985) writes [illegible] sediment is carried down the [illegible] the delta and the sea floor in [illegible] has been rapidly prograding during this interval. It has advanced about 300 metres since 1953. Rough calculations suggest that about 10 million cubic metres of sediment have been added to the delta since 1953" (A.S. Gottesfeld, 1985, Geology of the Northwest Mainland, Kitimat).

Given this evidence, we are alarmed that the sole reference to this concern in the prospectus is that "it has been suggested that the present delta is growing rapidly (Dolmage 1950)".

Kitamaat Village Council feels that the evaluation of the movement of the delta front in Kitimat Arm is sadly missing. Even if mention is made that "there is a greater potential for infilling from suspended sediments due to closer proximity to the river mouth than for the existing terminals, but this is expected to be of a relatively minor nature", the fact that such an important point is so lightly brushed aside, bears significantly against the credibility of the proposal.

3-Effects on the Kitamaat River

The river bank, along our Reserve, IR#1, has already been severely eroded by previous dyking work done in other parts of the river. Council is asking that the implications into the changes of the hydrology of the lower reaches of the Kitamaat river in relation to the port proposal be looked into, and particularly the changes which could occur along IR#1. If more destruction is predicted, the Port Committee will have to contemplate its obligation arising from such destruction.

The study of the consequences of the eastward migration of the mouth of the Kitamaat River on Minette Bay should be given very serious consideration. It seems logical to think that Minette Bay could end up filled up and/or cut off. An in-depth study of sediment movement, including the area north and south of the port proposal is mandatory. Minette Bay represents prime juvenile fish rearing habitat. Council will not accept further degradation of this area, already affected by sediment contamination by chemicals.

SEDIMENT CONTAMINATION STUDY

The possible contamination of sediments has not been adequately addressed. The data presented concerns samples from only 3 sites, although figure 3.1.6-1 shows 11 samples analyzed. There is no information on the depth of the samples taken, neither is there any mention of the methods used for analysis.
Such limited data does not support the conclusion that "there does not appear to be potential for impacts of dioxin/furans on

water and sediment quality during the proposed dredging and filling activities".

The Kitamaat Arm area has been closed to shellfish harvesting for two years due to dioxin contamination. The boundary closures have been extended less than 6 months ago, due to more recent sediment measurement results. It is unacceptable that a vague statement about the absence of potential impacts would be made, based on three samples results not even defined for depths.

The same applies to the analysis of the other contaminants, particularly PAH. There is no doubt that the PAH contamination of the Kitamaat Arm area is a serious concern at the present time. A PAH sediment study, jointly conducted by Environment Canada and Alcan's consultants is to be released shortly. Its findings should be reviewed before any decision on dredging is made.

Kitamaat Village Council is very concerned about the possibility of bringing contaminated sediments to the surface. Dredging will disseminate the contamination within the water column and to a greater variety of organisms within the food chain. Bringing such sediments to the air and to light may allow for their decomposition into other forms equally or more toxic. Their use as fill will allow them to leach slowly and maintain a level of contamination of organisms higher in the food chain.

The material presented in Volume 2 of the prospectus under the topic of Sediment Quality is totally insufficient to prove the safety of the dredged material. There is no discussion on the reasons explaining why, from the three results presented, no contamination has been found. It could have been the coarseness of the sediments at those particular sites, the methods used for analysis, or fresh uncontaminated sediments being brought by the river (PAH contamination reach sediments after being airborne).

The lack of core sampling analysis is blatantly lacking. Moreover, in Table 2.1.6-4a, although units of ug/g are assigned to the screening rejection limits, no units are given for the results found at A-600, B-400 and D-400 which are presented for total PAH as 182, 28.7 and 31.7 respectively. On page 33 of Volume 2, the text reads "Contaminant Testing Guidelines for Ocean Disposal is 2.5 ug/g dry weight for total PAH. In comparison, all three samples tested have concentrations below this level (0.181, 0.028 and 0.032 ug/g respectively)". The material presented is confusing.

Kitamaat Village Council will oppose any dredging until proper sampling, analysis and consultation with experts satisfy them that the sediments are not contaminated. In any case, provisions for continuous sampling and analysis during dredging should have been presented. There is no room for compromise on this very important aspect of the proposal. The material presented and the conclusions drawn are simply unacceptable.

OCEANOGRAPHIC CONDITIONS

The prospectus does not address at all the oceanography of Douglas Channel and Kitamaat Arm. One important aspect of it is is that "Kitamaat Arm has a history of submarine slides...A significant slide, which occurred on April 27, 1975 and involved about 26,000,000 m3 of material (Murty, 1979), covers a 7.5 km2 area that extends from the delta front over the central portion of the Arm to a distance of about 5 km...".(Proceedings of a Workshop on the Kitimat Marine Environment, R.W. Macdonald ed., 1983).

Although in volume 1 it is mentioned that "the 1975 underwater slide at Kitimat reportedly caused a sea level oscillation from -4.6m to +7.6m, chart datum. Damage was relatively moderate because the event occurred at a low tide".

Kitamaat Village Council feels that this is a very important point that requires studies to assess the potential risks and effects of such submarine instability on port structures. What damages could be anticipated, if an event similar in amplitude to the 1975 submarine slide, could happen at high tide ? Could the anticipated changes in the water circulation in the estuary trigger such an event ?

NAVIGATIONAL HAZARDS

There is no mention in the prospectus of navigational hazards and risks of collision, particularly with the transport of dangerous goods already predicted to increase with the WTBE shipping project by Ocelot. Such problems must be addressed in great detail, along with the limits created by the lack of feasible anchorage during strong winds. Given the predicted traffic flow, scenarios of ships unable to berth in Kitamaat due to weather conditions or other unforeseen reasons, need to be examined.

Moreover, the impacts of such increased traffic to small adjacent communities like Hartley Bay must be looked into.

HABITAT MITIGATION

It is difficult to take seriously the rezoning of a part of G-6 into G6-A or "Special Area -- Environmentally Sensitive". It is directly adjacent to our Indian Reserve #1, which our people have abandoned long ago because of the contamination of the river by pulp mill and municipal sewage effluents.

As mentioned above, the natural water gyre in Kitamaat Arm brings Alcan's effluent into Minette Bay (Bonthell Management Ltd, 1987, A preliminary Assessment of the Industrial and Municipal Pollution Affecting Kitimat River and the Kitimat Arm). Minette Bay's configuration does not allow for much flushing, hence

contaminants tend to stay in the sediments. Any digging may run into the same problems as previously described with sediment contamination.

The creation of marsh habitat does not necessarily replace fish habitat lost either directly by the port area or indirectly by the changes in water circulation and the possible in-filling of Minette Bay. Although it is stated in Volume 2 that "juvenile coho, chum, chinook and pink salmon from the Kitimat River rear in the estuary primarily from early April to late May", this statement is not supported by the 1981 study by DFO entitled "Investigations of Downstream Migrations and Estuarine Rearing of Juvenile Salmonids of Rivers in Kitimat and Kildala Arms, B.C." by T.L. Slaney, G. Birch and M. deBurgh. The authors found that "work in 1980 on the Kitimat estuary (Birch et al, 1980), documented residence on the estuary from April to early August, following outmigrations from the river in April to May and June to July".
For all of the above reasons, Kitamaat Village Council cannot support the mitigation measures as proposed. The impacts on fisheries have been largely unaddressed in the prospectus. The same applies to the waterfowl, which numbers have been drastically reduced since industrial activities moved into the area.

DISCHARGES IN THE AIR

On p.72 Vol. 2, we read that "dust from terminal operations such as handling mineral concentrates could potentially increase suspended particulate and dustfall levels, especially in dry and windy weather. A dust control program could be developed for the storage areas, prior to handling such cargoes".

Kitamaat air quality is already substantially impaired by present industrial activities. Kitamaat Village Council feels that a proven dust containment program should be mandatory.

WATER QUALITY MITIGATION

The components of the program described on page 73, vol. 2 should be mandatory, particularly the control of discharge of ballast and the collection of bilge water. Serious fines, along with clear dissuasive measures should be established for discharges in the channel.
It is only too obvious that a very detailed contingency plan for chemical and fuel spills should be given a top priority.

NOISE MITIGATION

In the prospectus it is stated that "no significant impact on the

existing ambient noise levels is expected as a result of operation of the proposed terminal, since the terminal will be located in an industrial area".

This statement is unsatisfactory to Council. Currently, noise from ships operations at the present wharves can be heard at the Village which will be even closer to the proposed port.

Increased noise from port activities could affect Haisla people especially as such activities would be carried on all night long.

GENERAL CORRECTIONS

-table 3.1-3.1 Volume 2
oolichan upstream migration is mid-march to april and not april/may
-page 23 Volume 2
Norecol 1990 and Kay 1989 studies are not referenced in the bibliography.

Because of all the above concerns, Kitamaat Village Council is of the view that the analysis of this port proposal has been far too shallow and that a thorough and true environmental assessment and project review must be achieved.
that there may need to be reconsideration of the project in its present site.

INTERNATIONAL
LONGSHOREMEN'S &
WAREHOUSEMEN'S UNION
LOCAL 505

K-PORT #26

P.O. BOX 531
PRINCE RUPERT, B.C.
V8J 3R5

TELEPHONE (604) 624-3558
FAX (604) 624-6913

April 9, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir;

The members of the International Longshoremen & Warehousemen's Union Local 505 are opposed to proposed construction of a deep sea port at Kitimat.

We believe construction of such a port facility would be contrary to the economy of North Western British Columbia, which is already suffering from a devastating down turn in the lumber industry in particular and export business in general.

Building a port at Kitimat would create a wasteful duplication of facilities which would be forced to share the already limited amount of business available. To use tax money; our own money, to further disrupt our limited opportunities to work full time and earn a decent living for our wives and children is an insult.

Since 1987 we have lost more than 40 per cent of our workforce. The longshoremen and warehousemen who remain have suffered, on average, a loss of 200 hours (five weeks) employment per man per year. Construction of the proposed Kitimat Port would further reduce both our membership and potential work force pool from which to draw. It would create needless expense and disruption to our brethren and their families if they are forced to move to maintain employment.

During the last year our local has taken on only eight new members. Two this year and six the year before. None of the new members has been able to work any more than very casual, temporary positions.

We are angry public meetings held in Kitimat and Terrace failed to provide us with any useful information about any benefits arising from the proposed port and are concerned our ability to make a meaningful and informed submission to the Major Project Review Process has been damaged by the deliberate withholding of important government funded information about all areas of impact the Kitimat Port will have on Prince Rupert in general and our lives in particular.

In order we may be assured a fair and equal opportunity to present our concerns, we ask the MPRP to hold a public information meeting in Prince Rupert immediately. Make all publicly funded information and consultants' reports about the Kitimat Port Proposal available to us without further delay and extend the April 12, 1991 deadline for submissions to allow us reasonable time to study the information which has been deliberately withheld.

The construction of a port facility in Kitimat will decimate our membership, disrupt our lives and the lives of our families and hinder our ability to earn a living. Our Union and the individuals who belong to it have a right to control their own futures. The government has a responsibility to provide us with the information we have already paid for and the time we need to make our submissions.

Sincerely,

W. Robinson
President

THE TSIMSHIAN TRIBAL COUNCIL

138 1st Avenue West Prince Rupert, B.C. V8J 1A8
PHONE (604) 627-8782
FAX (604) 627-1938

Head Office:
206 Shashak Street
Lax Kw'alaams, B.C.
V0V 1H0

K-PORT #27

April 9, 1991

Ministry of Regional and Economic
Development
4thFloor, 712 Yates Street
Victoria, B.C.
V8V 1X5

ATTENTION: Derek Griffin, Co-ordinator
Major Project Review Process.

Dear Sir

We are sorry short notice of the meeting between representatives of the Major Project Review Process and parties concerned about the proposed construction of a deep sea port at Kitimat has prevented us from providing a representtive in Prince Rupert on April 9, 1991.

The Tsimshian Tribal Council is concerned the construction of such a facility at Kitimat will have unwarranted and needless harmful effects on the people, environment and traditions of those our Council represents.

We are also disturbed, that not all of our bands have been allowed an equal opportunity to participate in the decision making process or to make meaningful submissions to the proposed ports proponents. The people of Hartley Bay live at the entrance to Douglas and they have been ignored. Of all our people, they will face the greatest threats to their way of life, traditions, history and heritage.

We ask they be given an opportunity to speak and to be heard at the public information meeting in Prince Rupert.

Sincerely yours

TSIMSHIAN TRIBAL COUNCIL

M. Adams
for Art Sterritt
President

K-PORT #28

Hartley Bay Band Council

Radio Telephone
Band Council - 900-1A

Hartley Bay
British Columbia V0V 1A0

April 9, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and
Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir:

This letter is to register the concerns of the people of the Hartley Bay Band of the Tsimshian Nation about the proposed development of a deep sea port at Kitimat.

We are disappointed no one has shown the courtesy or taken the time to consult with us concerning the proposed port development.

Our village is located at the entrance to Douglas Channel, 80 miles south of Prince Rupert. Of all the peoples to be directly effected by such a development, we believe our environment, traditional home site and ancient artifacts, our community, heritage, traditional ways and food gathering will be changed forever. None of the change will be positive.

We are unable to provide representation at the meeting to be held in Prince Rupert on April 9, 1991 with representatives of the Major Project Review Process, but we will be presenting a formal submission.

Yours truly,

L. Hill

Lynne Hill
Deputy Chief for
Hartley Bay Band

LH\mr

K-PORT #29

April 9th, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir;

Short notice has rendered it impossible for us to provide a representative to attend to meeting tonight between representatives of the Major Project Review Process, concerned residents and business people in and around the City of Prince Rupert.

This letter is provided to register our formal opposition to the proposed deep sea port project at Kitimat. The North Coast Tribal Council believes construction of such a facility will create a redundancy of services and infra-structure which will serve no positive purpose to the members of our Tribal Council, the residents of Prince Rupert and surrounding area or business development in North Western British Columbia. In particular, those native individuals currently employed in port related jobs.

We are also concerned completion of such a port will present unnecessary increased potential for an ecological disaster; a major spill; disruption of traditional native food gathering practices; ancient historical sites and well established fishing grounds.

We ask that a public information meeting be held in Prince Rupert and that the deadline for submission of April 12th, 1991 be extended so that any of our band members wishing to make submissions will have access to all the information and the proper time required to present their case.

Sincerely,

Clarence Martin
North Coast Tribal Council

Lax Kw'alaams Indian Band

Port Simpson, B.C. V0V 1H0
Phone 625-3293
Social Development Office 625-3474
Strong Band Government is the Answer

K-PORT #30

April 9, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
VICTORIA, B.C.
V8V 1X5

Dear Sir:

We, the members of the Lax Kw'alaams Band Council, are registering our official opposition to the proposed development of a deep sea port at Kitimat.

Construction of such a port will, at best, only duplicate what is already available at the Port of Prince Rupert while causing jobs for members of our band and other bands to be transferred away from our homes tO Kitimat.

Employment for our people is already limited. Further disruption to our lives, transfer or loss of existing jobs serves no useful purpose. We further believe construction of a port at Kitimat will create needless strain on an already threatened environment. Further disruption of traditional fishing and food gathering grounds and the increased threat of a chemical spill or other such marine disaster hold no desirable promises for our future or the futures of our children.

Lack of sufficient notice has prohibited us from providing a representative from our band to attend the meeting planned for April 9, 1991 between concerned parties and representatives of the Major Project Review Process. We hope this letter will help you understand how we feel about the proposed port.

Sincerely,

L.H. Helin

L.H. Helin
Chief Councillor

K-PORT #31

Prince Rupert Hotels Association,
716 WEST THIRD AVENUE
PRINCE RUPERT, B.C.
V8J 1M4
tel (604) 624-4298
FAX c/o (604) 624-5642

April 9, 1991

Derek Griffin,
Co-ordinator,
Major Project Review Process,
Ministry of Regional and Economic Development,
Fourth Floor, 712 Yates Street,
Victoria, B. C.
V8V 1X5

Dear sir,

It is the feeling of our membership that the public information meetings held in Terrace and Kitimat neither provided adequate information nor fully addressed the concerns of the residents of Prince Rupert in attendance. In order for an informed debate to take place under the auspices of the Major Project Review Process, full disclosure of relevant information must be made.

Prince Rupert is the community that is most likely to be negatively affected by the construction of the proposed port. It is a matter of public record that the Port of Prince Rupert has been fully co-operative with the Terrace-Kitimat Port Society. It seems to the members of the Prince Rupert Hotel Association that publicly funded information should be equally available from the Terrace-Kitimat Port Society. In your position as the co-ordinator of the Major Project Review Process we believe the following constructive action is immediately necessary:

1. A public information meeting, chaired impartially, be held in Prince Rupert.
2. Full disclosure of publicly funded reports be made including financial data, expected present and future markets and financial viability.
3. Questions from concerned individuals, labour organizations, the Prince Rupert Port Corporation and our municipal government be fully and clearly addressed by representatives if the Terrace-Kitimat Port Society.
4. The April 12, 1991 deadline for submissions be extended, in recognition of lack of access to publicly funded information, in order to allow Prince Rupert residents to properly prepare submissions to the MPRP.

Thank you,

Sincerely,

R J Payne

Bob Payne
Director, Prince Rupert Hotels Association

K-PORT #32

PRINCE RUPERT LABOUR COUNCIL

CHARTERED BY THE CANADIAN LABOUR CONGRESS
AFFILIATED TO THE B.C. FEDERATION OF LABOUR

PHONE 624-6048
FAX 627-7951

P.O. BOX 465
PRINCE RUPERT, B.C. V8J 3R2

April 9, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir;

The Labour Council of Prince Rupert is worried our concerns regarding proposed development of a deep sea port at Kitimat will not receive adequate consideration by the Major Project Review Process and any submission we might make will suffer from lack of sufficient information paid for by public funds, but withheld by proponents of the proposed Kitimat Port.

We further believe public meetings held at Kitimat and Terrace failed to provide adequate information about all facets of impact the proposed port will have on Prince Rupert.

The failure of these meetings to reach the objective of providing public information can be attributed directly to the chairman, who we believe was blatantly partisan and unashamed of demonstrating his bias against anyone who questioned the prospectus.

The Labour Council of Prince Rupert requests a public information meeting be held immediately in our community; all available information paid for by tax payer's money be made available at once and the April 12, 1991 deadline for submissions be extended to allow all concerned parties an opportunity to review, study and make use of all the publicly funded information which has been withheld.

We await your prompt reply.

Sincerely,

Russell J Wiens

Russell Wiens
General Secretary

COMMERCIAL FISHING INDUSTRY COUNCIL

4th Floor - 845 Cambie St., Vancouver, B.C., V6B 2P4 (604)[illegible] FAX (604)[illegible]-9148

Deep Sea Trawlers Assoc. of B.C.
Fisheries Council of B.C.
Fishing Vessel Owners' Assoc. of B.C.
Gulf Trollers Assoc.
Native Brotherhood of B.C.
Northern Trollers Assoc.
Nuu-chah-nulth Fisheries Council
Pacific Black Cod Fishermen's Assoc.
Pacific Coast Fishing Vessel Owners Guild
Pacific Gillnetters Assoc.
Pacific Seafood Council
Pacific Trollers Assoc.
Prince Rupert Cooperative Fishermens Guild
Prince Rupert Fishermens Cooperative Assoc.
Prince Rupert Fishing Vessel Owners' Assoc.
United Fishermen & Allied Workers Union

11 April 1991

K-PORT #33

BY FAX: 356-8212
Mr. Frank Blasetti
Co-Chairman, Major Project Review Panel
Ministries of Regional Economic Development
and Environment
3rd Floor - 777 Broughton Street
Victoria, B.C. V8V 1X5

Dear Mr. Blasetti:

Re: Proposed Kitimat Marine Terminal

The proposed Kitimat Marine Terminal development was discussed by the Commercial Fishing Industry Council (CFIC) at its meeting today. CFIC members expressed concern that this proposal was being rushed through the Major Project Review Process by the project proponents and certain elements within the Government of B.C. A project of this scale will have serious implications for the continued viability of the Kitimat estuary and its capacity to support important fish species such as chinook salmon. Marine terminal developments located in productive estuaries, such as the Kitimat River estuary, typically involve large scale dredging, and placement of structures, which together can change water circulation patterns that contribute to diminished biological productivity. Experience has shown that mitigation measures aimed at preventing or minimizing serious declines in habitat productivity are rarely successful.

Canada, with support from the Government of British Columbia, signed the Canada-U.S. Pacific Salmon Treaty five years ago. Under the Treaty a commitment was made to rebuild depressed chinook salmon stocks. In order to accomplish this task the existence of estuarine habitat is essential. While alienation of an area within one estuary system may not appear to be significant to some, development of the Kitimat Marine Terminal would represent yet another step in the incremental loss of estuarine habitat that has occurred up and down the B.C. coast. This trend cannot continue if there is to be any hope of providing for sustainable fisheries resources for all user groups in future years.

The Commercial Fishing Industry Council therefore calls upon the Government of B.C. to conduct a complete and thorough review of the proposed marine terminal project prior to rendering any decision which might allow the project to proceed. Moreover, because of the concerns regarding impacts accruing to federal fisheries resources, the requirements of the federal Environmental Assessment and Review Process must be met. Under no circumstances can a project of this nature be allowed to move through a 'fast track' type of review process. Specifically, the review must address the following elements:

- Project Justification;
- Environmental and Socio-Economic Impact Assessment; and
- Meaningful Public Involvement.

.../2

We wish to be kept informed of any and all developments regarding the review of this project and, therefore, request that we be placed on your mailing list.

Yours very truly

R. Scott Hanna
Secretariat Manager

cc Hon. John Fraser, Speaker, House of Commons
Hon. Bernard Valcourt, Minister of Fisheries and Oceans
Hon. Harry DeJong, B.C. Minister of Agriculture and Fisheries
Mr. Paul Scott, Federal Environmental Assessment and Review Office
Mr. Derek Griffin, Regional Economic Development
Mr. Peter Lester, Mayor of Prince Rupert
Mr. Dan Miller, M.L.A.
Mr. Jim Fulton, M.P.

UNITED FISHERMEN AND
ALLIED WORKERS' UNION

UFAWU

869 FRASER STREET
PRINCE RUPERT, B.C. V8J 1R1

TELEPHONE: 624-6048
FAX: 627-7951

K-PORT #34

April 9, 1991

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir;

The United Fishermen and Allied Workers' Union has many concerns related to the proposed development of port facilities in Kitimat. Our specific concern is with the obvious destruction of important fish habitat. The magnitude of proposed replacement of natural fish habitat is staggering. This scheme requires much more intensive scrutiny than has been allowed to date.

We have many general concerns about the withholding of information and what appears to be the blatant misuse of public funds and process. For this MPRP to have any credibility three things must happen: first, release all information, two, hold full public meetings in Prince Rupert, and three, extend the deadline for submissions.

Sincerely

Jim Rushton
Northern Representative

PRINCE RUPERT & DISTRICT
Chamber of Commerce

P. O. Box 158 115 West First Avenue
PRINCE RUPERT, British Columbia V8J 3P6 CANADA
TEL.: (604) 624-2296 FAX: (604) 627-8493

BUSINESS INFORMATION CENTRE

April 8, 1991

K-PORT #35

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

This letter is to officially inform you of The Prince Rupert & District Chamber of Commerce's opposition to the proposed construction of a deep sea port facility at Kitimat.

The Prince Rupert & District Chamber of Commerce believes the public information meetings held at Kitimat and Terrace were entirely unsatisfactory for the following reasons:

1. A deep sea port facility at Kitimat will have major impact on Prince Rupert and information concerning that impact was inadequately discussed.

2. The chairman of the meetings held in Terrace/Kitimat was a partisan participant who freely and continually demonstrated his bias against those questioning the port proposal.

3. The meeting chairman conducted himself in a rude and discourteous manner making it extremely difficult for concerned parties to ask pertinent questions or receive useful answers to the few questions they were able to ask.

4. The public information meetings failed to provide concerned citizens with adequate information upon which to develop well informed and meaningful submissions.

In order that the Prince Rupert & District Chamber of Commerce may be a full and informed participant in the Major Projects Review Process, we ask the following actions be taken immediately:

1. A public information meetings be held in Prince Rupert.

2. All information concerning every aspect of the proposed port at Kitimat, especially all information paid for by government (tax payer's) money be made available to all concerned parties immediately.

3. The April 12, 1991 deadline for written submissions to the MPRP be extended to allow all parties to make full use of all information, which t6o this date has been withheld.

We hope you will react quickly to our request and look forward to your prompt response.

Yours truly,

per

Richard Adams
Chairman Economic Development

Kitimat
Chamber of
Commerce

P. O. Box 2[illegible]
Kitimat, B. C.
V8C 2G7
Tel. 632-6294
Fax. 632-4085

K-PORT #36

April 11, 1991

Ministry of Regional and Economic Development
Mr. Derek Griffins, MPRP Coordinator
Regional Planning and Infrastructure Branch
712 Yates St.
Victoria, B.C.
V8V 1X5

Dear Derek:

Re: Kitimat/Terrace Port Study
Phase 2 Feasibility Report
Volume 1/2, 28 February 1991

The purpose of this letter is to advise you that the Kitimat Chamber of Commerce and it's Economic Development Committee fully support the construction of a public port facility at Kitimat.

Since the Feasibility Report is the latest issued document and incorporates the recommendations of the prospectus, we will limit our comments to references in the Feasibility Report. Further, in order to minimize confusion we will assume an activity level at Forecast 2 (high and moderate use of the Port) and our opinions will be limited to three specific areas:

1. Financial and Socio-economic cost/benefits
2. Environmental impact
3. Public and Private sector cooperation

We believe that this project will only be acceptable if: we do not unduly emphasize the short-term but put more emphasis on the longer-term and give significant weight to the qualitative benefits rather than just measuring the qualitative benefits. Further, we must not expect a high short-term return on investment in a major project of this magnitude (after all hotels and utilities only become profitable over the longer term.) Finally, no matter how favourable the financial and socio-economic benefits are, the success of this project must also include a minimum environmental impact and maximum cooperation from the public and private sector constituents.

1. Financial and Socio-Economic Cost/Benefits

- Forecast 2 which includes pulp, lumber and a copper smelter (or it's equivalent) products, are estimated conservatively as increasing from 409,000 to 843,000 tonnes over the period 1994 - 2000.

.....2

- Marine terminal capital costs for a single berth in 1994 are $37.5 million and for a second berth added in 2000 are $22.8 million, for a total of $60.3 million of which approximately 40% ($24. million) will be funded by the B.C. Government.

- Significant employment will result in the Kitimat/Terrace area: 187 direct and induced man-years during the two stages of construction; 395 direct and induced full-time equivalents/annum during operations; offset by 64 lost direct and induced full-time equivalents/annum by Prince Rupert until this temporary loss (3% of total cargo) of diverted lumber is replaced by other cargo.

- Savings in lumber and pulp truck transport alone will result in a $2.5 million/annum plus $4.5 million/annum for copper smelter heavy industrial products.

- In addition, the qualitative benefits include (not expressed in financial terms): the increased ability to attract tourism; facilitating attracting targeted new industry and its associated products, increased regional transportation efficiency (and flexibility); lower transport costs to shippers arising out of the reduced truck shipping rates; and redundancy of port services.

- Under the conditions of Forecast 2 the after tax rate of return (excluding qualitative benefits) if the developer bears all dredging costs would be about 5%, BUT, if as proposed the B.C. Government develops the site (and issues a "Head lease" to the Community Port Authority) the return would be adequate to attract a port operator. Further, <u>even Forecast 1 (pulp and lumber only) would yield an adequate after tax rate of return.</u>

The financial and socio-economic situation is sound and of particular note is the most favourable inland transportation pricing for regional shippers. For example the percentage savings in shipping costs (which go straight to the bottom line) and range from 6.7% to 41% (an average $3.25/gross MtRM!)

2. <u>Environmental impact</u>

- We fully endorse the "no net loss" in total habitat area, but we are concerned that the terminal layout included in this study has a greater total area than that indicated by the Dept. of Fisheries and Oceans 1985 study as suitable for development. Therefore, we will await comments from the Dept. and other concerned environmental agencies to determine an optimum solution. This in no way lessens our support, because we still believe that Kitimat should have a public port the only question is where. We do urge though that this additional review be done soon so that the "window", November 1 - January 31st for dredging is not missed.

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3. Public and Private Sector Co-operation

Although co-operation is difficult to obtain, obtaining it is essential if British Columbia is to be competitive in the 90's and into the 21st century. It is interesting that the Japanese are successful in the global market place because they are able to obtain co-operation at all levels and linked with their other strengths it makes it most difficult for our individualistic North American approach to compete. We need co-operation from: Dept. of Fisheries and Oceans, Dept. of Transport, B.C. Government and C.N.R.

- Dept. of Fisheries and Oceans have expressed oral concerns relating to the environmental issues and we urge full co-operation to bring the port facility to reality with minimum environmental impact.

- Dept. of Transport have expressed concern re: the economic impact on the Prince Rupert port and we urge that they have an open mind and consider the merits of two Northwest ports, and that the Kitimat port will be concentrating on new additional cargo.

- B.C. Government have fully co-operated to this point and we request that they speedily proceed to pass through the Spring Legislature Session the "Port Policy" on public provincially regulated - Community Port Authorities (CPA's). A Kitimat CPA although not essential does nevertheless have some significant advantages which include:

  - Control of provincial land within the harbour boundary and the associated attractiveness of a "Head Lease"; creating a capital support program under the auspices of a Marine Transport Assistance Program (M.T.A.P.), provision of technical support to the CPA's in management and development of the port; enhancement of communications between local communities; optimizing economic development; and under M.T.A.P. offset capital grants.

  - C.N.R. have many priorities and during recessionary times obviously capitalize on those priorities offering the best economic return. We urge that C.N.R. include as a priority the upgrading of the existing Terrace/Kitimat line. It is essential that for transportation to be optimum it will be necessary to complete the required bridge construction to increase the load limits of the bridges and to improve grades and curvatures of the line to facilitate passage of long-unit trains carrying bulk cargos. The former is the more important of the two and we request that C.N.R. introduce measures that will complete the upgrading prior to 2000 (1994 - 96) which would increase the financial viability of the Kitimat port significantly.

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C.N.P. has been made aware of this need, not just for the port, but for Ocelot's expansion (M.T.B.E. plant), and we would request that they seriously consider the long-term benefits that they can obtain from an accelerated upgrading.

Derek, we trust that this letter, along with the other letters of support will enable you and your department to proceed with the subsequent stages in order to make this long awaited port a reality to residents of Kitimat and the region.

Yours respectfully,

for Ron Burnett

Mike Scott, President
Kitimat Chamber of Commerce

Bill Ralston

Bill Ralston, Ph.D., Chairman
The Economic Development Committee.

Directors and Economic Development Committee Members include:

Ron Burnett, The Mutual Group
Mike Scott, Yentron Construction
Bill Ralston, Northwest Community College
Keith Leech, Eurocan Pulp & Paper co.
Lee Ellis, Individual
Joe Pereira, Pereira Home Centre
Ron Coulter, Alcan Smelter and Chemicals Ltd.
Lynda Rocha, City Centre Motel
Gail Guise, Manager, Kitimat Chamber of Commerce
Sandra Dugdale, Northern Sentinel Press
Sheila Reaves, Pyramid Printers & Office Supplies
Bill Hickman, Riv Tow Straits
Lanny Robinson, Lehndorff Property Management
Jan Koza, Ocelot Chemicals Inc.
Gord Fox, Government Agent
Ivan Ball, Ocelot Chemicals Inc.
Gerry Bloomer, Kitimat Shiping Agencies
Austin Byrne, Snow Valley Savings and Credit Union

BR/dm

c.c. J. Gustafson, District of Kitimat

K-PORT #37

Hartley Bay Band Council

Radio Telephone
Band Council - 900-1A

Hartley Bay
British Columbia V0V 1A0

Hartley Bay Position Paper, MPRP Hearing Re: Kitimat Port Proposal

We, the people of the Hartley Bay Band, of the Tsimshian Nation are more than concerned about the proposed development of a deep-sea port at Kitimat. We feel, that as this proposed development will have a major impact on our communities, that it is absolutely unacceptable that on one has taken the time to discuss our concerns or to ask for input from us.

The community of Hartley Bay is 80 miles south of Prince Rupert on the western side of the entrance to Douglas Channel, behind Promise Island. Our people make their living from the sea. To us, the sea is more than just a highway.

The proposed development of a deep-sea port will affect us in many ways, it will impact on our ecological environment, on our traditional home site and ancient artifacts, our permanent community here in Hartley Bay, our traditional way of life and most assuredly our food gathering. All of these aspects of our life could be changed forever. and it is most unlikely that any of these changes would be positive or to our benefit.

one of the primary objections of the Kitimat Port Proposal would be because of the increased shipping traffic in Douglas Channel and Wright Sound and all of the problems this would create for our food gathering activities and for the commercial fishermen. The potential for a tragic mishap between fishing craft and large sea-going vessels also will be increased dramatically. In addition to the vessels themselves, the wake from will cause damage and upset the balance of intertidal life, particularly the cockle and clam beds, as well as crab harvesting and breeding beds, and many other species too numerous to mention. In the summer months and on into the early fall there are many gill net boats concentrated in this area, the season for these people to make their living is very short. The increased traffic would be incompatible with the existing vessel activity.

Soil erosion due to increased wave action would also be a factor, not only along both shores but in particular in Kitkiata Inlet. this is the traditional homesite of our ancestors, and is situated midway between Kitimat and Hartley bay. This area has the largest petroglyph site on the Northwest coast, and is very vulnerable to erosion. Kitkiata Inlet is important to us, the Quaal and Kitiata River empty into the water, and it is an area rich in food and history.

For 5,000 years, and more, countless generations of our Tsimshian peoples have lives by gathering food from the sea and its shores, from the forests that line these shores, and from the rivers. Our history is linked to the sea and the cedar, and for years in the times before the visitors came we lived in harmony, and within the laws of Nature. We had respect for the

land, the seas , and the resources of both. But at every turn our traditional life is threatened, and it is threatened in the name of "development" ,-pollution, overfishing, over production, greed and ignorance.

We can trace our heritage to Demelahamid at the head waters of the Skeena River. Our original homesite Git-g'aida was destroyed by a great flood and our ancestors were swept down the river to the coast and they searched for a new home. They found a promising site at the confluence of the Quaal and Kitkatla Rivers where there was an abundance of fish in the water and shell fish on the shores. When the Chief proclaimed this site as the place that we would live, by symbolically placing his cane in the ground, our people settled and have remained in this area. From that day, the name of our people became Kitkatla which means the People of the cane. This village now is known as Lexgal'tsap, or Old Town, (12miles north of Hartley Bay on the northwest side of Douglas Channel, in the Kitkiata Inlet. Our area is large, and ranges throughout the territorial waters, from Douglas Channel, Whale Channel, Wright Sound, Lewis Pass to Caamano Sound. We say we have lived here for thousands of years, and his is documented in the logs and Journals of Captain Vancouver's surveying voyage of 1792-93. During his survey he anchored his ships the Discovery and Chatham in Fisherman Cove on the northern end of Gil Island. Archibald Menzies, a botanist aboard Discovery reported he, "saw the wite of an old village but no recent habitations."

This whole area will suffer from the increased traffic of a port at Kitimat and will also be subject to daily added threats of accidental spills, illegal dumping and pumping of bilges and potential mishaps involving the ships themselves. We have seen the effects of progress and development before. Kitimat was once only a native village. A city was constructed starting in 1954 to support an industry. Within the first years our traditional source of olichan at the mouth of the Kitimat River was destroyed. The flesh of the fish became inedible from the effluents of the industry and the dumping of sewage. To this day those fish that survive may no longer be harvested. Increased traffic means more people. Our artifacts have been taken from the village site to decorate the walls and shelves of homes in Kitimat. When they are taken they are gone, irretrievable, like the cockles, the clams , the abalone, the salmon and the forests. More development can only mean more damage to the environment and it is never more than lip service that is paid to safeguard this destruction.

We are surprised to hear that members of the Kitsalas people are represented on the organizations involved in this decision making, and Members of the Kitsumkalum people have been consulted, but we, who live in the area have been ignored.

The situation is intolerable, we were not consulted . However, as we have

best interests, we are opposed to the construction of a port at Kitimat.

L. Hill, Deputy Chief

NORTHERN PROCESSORS ASSOCIATION

Aero Trading Co Ltd
British Columbia Packers Ltd.
Canadian Fishing Company
J S McMillan Fisheries Ltd
Ocean Fisheries Ltd.
Prince Rupert Fishermen's Cooperative Association

K-PORT #38

April 12, 1991

ARC 589

Mr. Derek Griffin
Co-ordinator
Regional Economic Development
Victoria, B.C.
V8V 1X5

Via Fax No. 356-9275

Dear Mr. Griffin:

RE: Proposed Kitimat Marine Terminal.

The Northern Processors Association consists of the six largest fish processors on the North Coast. We are therefore very concerned about the environmental impact the proposed terminal will have on fish stocks utilizing the Kitimat River and estuary. We are particularly dismayed that this project is being pushed forward before an environmental impact study is completed.

You should note that the Governments of Canada and British Columbia have been working with the United States under the auspices of the Canada/U.S. Salmon Treaty to rebuild chinook stocks along our coast. Furthermore, fishermen and processors have suffered through many years of cutbacks in fishing time to aid in the rebuilding of these depressed chinook stocks.

The Kitimat River and its adjacent habitat support an important chinook run which has been carefully and painfully rebuilt over the last decade. It therefore greatly disturbs us that this port project is being pushed ahead, threatening the local environment, at a time when we are beginning to see the positive results of both the local and international commitment to the rebuilding of the Kitimat chinook stocks.

Yours truly,
NORTHERN PROCESSORS ASSOCIATION

Greg Taylor,
President

NORTHERN PROCESSORS ASSOCIATION

cc: Mr. John Fraser, Speaker - House of Commons
Mr. Bernard Valcourt - Minister of Fisheries and Oceans
Mr. Harry DeJong - Minister of Agriculture and Fisheries
Mr. Peter Lester - Mayor of Prince Rupert
Mr. Dan Miller - M.L.A.
Mr. Jim Fulton - M.P.
Mr. Mike Hunter - Fisheries Council of British Columbia

GT:klr

P.O. Box 460 Prince Rupert B.C. V6J 3R2 Ph. (604) 624-9695

Canadian Stevedoring
COMPANY LIMITED

Prince Rupert, B.C.
P.O. Box 246
V8J 3P6
Phone: 624-5243
Fax: 627-1868

April 11, 1991

K-PORT #39

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and
Economic Development
Victoria, B.C.

Dear Mr. Griffin:

Re: Kitimat - Terrace Port Society's Prospectus

Please accept the following as Canadian Stevedoring Company Limited's comments pertaining to the proposed development of a general cargo terminal in Kitimat as identified in the recently published Kitimat-Terrace Port Society's Prospectus.

There is attached a copy of a letter dated January 22, 1990 from Canadian Stevedoring to the Honourable Mr. David F. H. Parker. In this letter we have identified our objections to the proposed development of a general cargo terminal at Kitimat. Rather than repeat the statements and objections made in our January 22 letter to Mr. Parker, we wish to submit this letter as part of our official comments on the Kitimat-Terrace Port Society's Prospectus.

It is important to note that since this letter was written lumber volumes have continued to decline. In 1990 we handled 390 million feet of lumber and we believe the volumes of lumber will not materially exceed 400 million throughout the 1990's because of the reduction in allowable cuts permitted by the British Columbia government.

In addition to our attached letter to Mr. Parker, we wish to make some specific comments on Volume I of the Prospectus, as follows:

1. Item 9 under the Executive Summary identifies "Benefits of the Project" as being reduced transportation costs for sawmills and more competition between road and rail.

...2

1285 FRANKLIN STREET
VANCOUVER, BC, V6A 1J9
PHONE (604) 255-5411
TELEX 04-508752 CANSTEVE VCR
FAX (604) 251-3917

We note the Prospectus does not have a complete or even close to complete financial or economic evaluation of this project. All of the costs of the proposed development need to be evaluated including operating, stevedoring, shipping, berth utilization and efficiency, possible delays due to shortage of gangs and so forth. The statement in the Prospectus that a benefit of the project is reduced transportation costs is unacceptable without a total financial or economic evaluation of the entire project.

We note also that there is already competition between road and rail transportation with the existing general cargo terminal at Prince Rupert. We believe the statement in the Prospectus that "the new terminal at Kitimat should result in more competition between road and rail transportation" is weak.

Item 9 of the Executive Summary also states a benefit of the Kitimat terminal will result from the "redundancy of port services in the North West." As terminal operators of Fairview Terminal in Prince Rupert we can state with authority that over the past 13 years of operation there have been no disruptions at Prince Rupert which could remotely support the construction of another facility. The Prospectus statement in this regard is particularly weak and without substance.

2. Item 2.4.3 "Precipitation" states "the high snowfall is an important consideration for port operations and design of structures" for the proposed Kitimat development. Canadian Stevedoring agrees with this statement and we believe snowfall will be a serious and costly problem for a general cargo terminal in Kitimat, especially for handling lumber. The Prospectus, however, only states the snowfall will be an important consideration but it fails to identify any of the important considerations and most importantly, the costs, associated with the snowfall.

3. Section 4 "Socio-Economic Assessment" is addressed in only two pages of the Prospectus. Considering the impact the Kitimat development would have on Prince Rupert, Canadian Stevedoring believes the Prospectus is grossly incomplete in its assessment of the socio-economic aspects of this project.

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In summary, Canadian Stevedoring considers that in many critical areas the Prospectus is weak, deceptive and misleading. The Prospectus is lacking a financial analysis of the project and has not evaluated in sufficient detail the Socio-Economic Assessment of the project.

Canadian Stevedoring believes the development of a general cargo terminal at Kitimat is unjustified and unnecessary. The proposed development would likely result in both general cargo facilities at Prince Rupert and Kitimat operating at a long-term loss. This could give both communities considerable cause for grief and possible demands for government subsidies

In closing, we urge that this project be re-considered and re-evaluated before it be allowed to proceed. Should you have any questions, or if Canadian Stevedoring Company Limited can assist you in any way with your re-evaluation, please do not hesitate to contact us.

Yours truly,

Brian Denton.

Brian Denton
Manager, Northern Operations
Canadian Stevedoring

c. Kitimat - Terrace Port Society
c/o Mr. Jim Gustafson
Municipal Manager
District of Kitimat

Mr. Bob Hallson
Clerk Administrator
City of Terrace

Can Stevedoring

COMPANY LIMITED

January 22, 1990

COPY

The Hon. Mr. David P.H. Parker
Room 104, Parliament Buildings
Ministry of Crown Lands
Province of British Columbia
Victoria, B.C.
V8V 1X4

Dear Mr. Parker:

Re: Kitimat Dock

I appreciated the opportunity to meet with you in Prince Rupert on January 12, 1990. Needless to say, Canadian Stevedoring shares your interest in port development and maritime shipping.

However, you raised a point over which we have grave reservations -- a proposed development of the Kitimat Dock. We see this potential development as having a severe negative effect on the city of Prince Rupert which could cause a severe public backlash from that community for the Government.

Allow me to give you a bit of historical perspective on my company's background first. Canadian Stevedoring is a British Columbia, family owned and operated company which was incorporated in 1923 and has been in continuous business ever since. During the past 65 years, Canadian Stevedoring has gained experience with virtually every type of carrier and cargo under a variety of working conditions. We have operations in more than 20 deep sea ports in British Columbia.

We have offices in Prince Rupert which is the centre of our northern stevedoring operations for Prince Rupert and Stewart. In addition, we have operated Fairview Terminals under contract with the Prince Rupert Port Corporation since the terminal was built in 1976.

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Our concerns about the proposed development of the Kitimat Dock are based on several factors:

I CAPACITY OF FAIRVIEW TERMINAL

Fairview Terminal is completing a 35 million dollar expansion. Currently the terminal is handling 500 million board feet of lumber which is approximately 40% of the capacity of the expanded terminal.

Fairview Terminal was developed to service primarily the northwest B.C. lumber industry which exported very little lumber by water until about 1985. Since then waterborne exports have grown significantly until 1988 (see Table 1 attached) when numerous factors which affect export shipments such as the Canadian Dollar value, U.S. housing starts, U.S. rail rates, market prices and other factors resulted in lower shipments through Fairview.

Three years ago it was projected by many people that in the early 1990's Fairview would be handling in excess of 800 million F.B.M. per annum. It is now projected the shipments for this period will be 500 - 600 million feet and could well remain at these levels throughout the 1990's - depending upon market conditions and allowable cuts permitted by the British Columbia government.

To develop another dock in the region which would compete with Fairview would result in dramatic oversupply of capacity -- resulting in both docks likely operating at a long-term loss. This could give both communities considerable cause for grief and possible demands for Government subsidies.

II ECONOMIC IMPACT ON THE PRINCE RUPERT LOCAL AREA

The studies in regard to the proposed Kitimat Dock indicate the following cost information:

	Estimated
Average truck savings to Kitimat vs. Prince Rupert	$3.00 MFBM
Additional shipping line costs Kitimat vs. Prince Rupert	$2.00 MFBM

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Generally, and particularly in competitive shipping markets, the additional shipping line costs to call at Kitimat are not passed on to the shipper but rather absorbed by the shipping lines with the result that the shipper saves the trucking costs and would direct all trucked lumber to Kitimat.

The result would be that Fairview Terminals would lose at least 250 million M.F.B.M. of its lumber volume (current truck percentage). We believe the real loss would be in excess of 400,000 M.F.B.M. because of the impact of rail shippers transferring to trucks as a result of the shorter distance to Kitimat. This would be compounded further if the rail line to Kitimat was upgraded and the rail rates reflected the shorter distance. It is possible that Fairview could lose all of its truck and rail lumber with the exception of a small portion which is produced in Prince Rupert. This loss of cargo would be catastrophic to the Port of Prince Rupert.

The lumber shipments through Fairview have an enormous economic impact on Prince Rupert. As we are not economists our estimates of this impact are simple and do not include the multiplier effects such as indirect jobs and purchases of supplies and equipment which would only increase the impact of the loss of lumber shipments on the Prince Rupert economy.

Direct Jobs - Handling Lumber - Prince Rupert

	No. of Full Time Jobs
Longshore, Foreman and Terminal Staff	98
Maritime Services:	
Port Staff, Vessel Agents, Pilots, Towing, Water Taxi, Chandlers, Surveyors and Equipment	24
Total Jobs	122
Estimated Direct Salaries Per Annum	$6,100,000

In summary, if all of the lumber moved to Kitimat the Prince Rupert economy could lose a minimum of 122 jobs with total salaries of $5,100,000 without taking the multiplier effect into account.

III DUPLICATION OF PUBLIC FUNDING

The total capital invested at Fairview Terminal is approximately seventy-five million dollars. Kitimat would require expenditures of about 30 million dollars for the dock as well as an estimated 20 million for rail and road improvements. Considering the unused capacity at Fairview it could be embarrassing to the Government to spend $30 million to $50 million on a dock in Kitimat. It would in fact represent duplicate spending in the short term and likely require Government subsidies in the long term to assist the operation of both docks.

It has been stated that there would be no public funds involved in Kitimat. As we have already indicated in this letter, we question this in that the project is not even close to being economically feasible on the basis of all the lumber handled at Fairview. Public funds or loan guarantees would be required in very large amounts to support this project.

IV OTHER FACTORS

We strongly suggest that there are many other factors which require review in regard to the proposed Kitimat Dock.

The Port Development and Marketing Study, Port of Kitimat, B.C., prepared by C.E. International Enterprises Ltd., contains many projections, assumptions and cost estimates that require careful analysis. For example, the volume projections are very high and do not reflect current industry volumes or projections.

We understand that the rail costs to Kitimat cannot be lower than those to Prince Rupert because of the significant grades on the Terrace/Kitimat line and the additional costs associated with breaking the train at Terrace and switching a portion of the cars to Kitimat.

.../3

In the past several years, with the development of Fairview Terminal, Prince Rupert Grain Terminal and the Ridley Island Coal Terminal, the Port of Prince Rupert has developed into a very significant export port. Along with this development there has been a corresponding growth in all of the support maritime and community services that are required for a major port.

In closing, we are very concerned about the development of the proposed Kitimat Dock for the many reasons we have outlined above. We would like to discuss this matter further with you and will contact your office to arrange a meeting. If in the meantime you or your staff have any questions, please do not hesitate to contact us.

Yours truly,

CANADIAN STEVEDORING COMPANY LIMITED

Wayne H. Stollen
Vice-President

WHS/sl
cc: Mr. T. Andrews, P.Eng.
Port Manager
Prince Rupert Port Corporation

FAIRVIEW TERMINAL
PRINCE RUPERT, B.C.

TABLE I
CARGO VOLUMES

	COMMODITY			
	LUMBER MFBM	GRAIN PRODUCTS KT	CONCENTRATES KT	OTHER KT
1977	7,451	-	-	4,230
1978	28,805	-	-	15,877
1979	54,849	-	-	5,181
1980	98,117	63,284	-	12,367
1981	69,588	53,843	32,128	12,380
1982	123,082	67,942	35,600	11,532
1983	184,191	114,000	46,000	7,872
1984	226,000	136,000	53,784	3,567
1985	342,700	113,117	54,000	2,000
1986	414,200	130,461	43,935	2,603
1987	556,600	175,818	44,000	5,053
1988	537,800	167,211	47,384	7,063
1989	527,600	134,662	59,401	11,508

K-PORT #40

David B. Lee
SS#1, Comp. 176
52 Sturgeon Street
Kitimat, B.C.
V8C 2K6

April 12, 1991

Province of British Columbia
Ministry of Regional
and Economic Development
712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Mr. Derek Griffin
MPRP Coordinator
Regional Planning and
Infrastructure Branch

Dear Sirs:

I have been a resident of Kitimat for 21 years and have seen our economy rise and fall with the job market. I support the development of a marine terminal in Kitimat as I feel that new industry and development will help this region as well as North Western Canada in the ability to get goods to their markets faster and more economically.

The development of a marine terminal by enhancing new industry will create a more stable job market. New skills and trades for the younger population is also an asset, as I have seen so many young graduating students seeking employment out of the region due to lack of employment opportunities here. I believe that this would all help to keep family units together.

I have taken some time to collect a few signatures in support of this project and as I acquire more I will send them to you.

Thank you for your time.

Yours truly

D.B. Lee

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME		ADDRESS	
[illegible]	[illegible]	53 STEIN ST.	KITIMAT B.C.
[illegible]	[illegible]	27 [illegible] St	Kitimat BC
[illegible]	[illegible]	25 Moore St	Kitimat BC
[illegible]	[illegible]	25 MOORE ST	KITIMAT B.C.
[illegible]	[illegible]	97 Okanogan St.	
[illegible]	[illegible]	9 [illegible] ST.	
[illegible]	[illegible]	[illegible] BC	
[illegible]	[illegible]	64 STEIN ST	Kitimat BC
[illegible]	[illegible]	72 FARROW	KITIMAT BC
[illegible]	[illegible]	83 [illegible]	
[illegible]	[illegible]	15 Quail	Kitimat B.C.
[illegible]	[illegible]	90 Baxter	Kitimat B.C.
[illegible]	[illegible]	61 [illegible] St	[illegible]
[illegible]	[illegible]	31 DUNCAN ST	KITIMAT, B.C.
[illegible]	[illegible]	20 Capilano ST	Kitimat B.C.
[illegible]	[illegible]	35 Stein St	Kitimat BC
[illegible]	[illegible]	204, 90 Baxter St	Kitimat BC
[illegible]	[illegible]	[illegible]	—
[illegible]	[illegible]	101 Partridge St	Kitimat B.C.
[illegible]	DAVIES	67 STARLING ST	KITIMAT BC
[illegible]	MAVO	150 [illegible]	Kitimat
[illegible]	[illegible]	150 [illegible] STREET	KITIMAT BC
[illegible]	[illegible]	150 [illegible] St.	Kitimat
[illegible]	[illegible]	1952 [illegible]	Kitimat
[illegible]	[illegible]	91 ORIOLE	Kitimat
[illegible]		13 Quail	Kitimat
[illegible]	[illegible]	31 PETREL	Kitimat
[illegible]	[illegible]	84 [illegible]	KITIMAT
[illegible]	[illegible]	44 EGRET	KITIMAT
[illegible]	[illegible]	72 MOORE	KITIMAT
[illegible]	[illegible]	28 Capilano	Kitimat
[illegible]		65 [illegible]	Kitimat
[illegible]		11 [illegible]	Kitimat

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
JOHN LESAGE	82 CLIFFORD ST	V8C-1B4
Sheila Redmond	40 Bedford	V8C 1Y2
Heather Match	3 Swallow	V8C 1K7
M. BEREZA	203 City Center	V8C-1T6
[illegible]	1507 [illegible]	V8C-1P3
[illegible]	[illegible]	V8C-2H6
Ed [illegible]	36 Bettison	V8C 2R3
[illegible]	36 Bettison	V8C 1P2
[illegible]	[illegible]	V8C 1P5
[illegible]	88-44 Terrace	V8G 4V2
[illegible]	62 [illegible]	V8C 1Z8
[illegible]	[illegible]	V8C-2H6
[illegible]	1160-103 Kingfisher Ave.	V8C 1B3 632-2077
Juan [illegible]	74 STIRLING	632-3323
[illegible]	[illegible]	632-7976
[illegible]	142 [illegible]	632-6004
ED [illegible]	861 [illegible]	632 506
[illegible]	1130 Kingfisher Street	632-8915
JOAN [illegible]	55 #1 Camp 124	632-6004
[illegible]	58 [illegible]	632-6636
[illegible]	71 ANGLE	
John [illegible]	82 Clifford	632-3355
[illegible]	72 Bartholomew	632-9632
[illegible]	128 KOOTENAY ST	632-2849
Douglas [illegible]	39 Rainbow	632 2313
[illegible]	70 [illegible]	632-2225
[illegible]	1142 Kingfisher	632-7956
[illegible]	25 Kootenay	632-4563
[illegible]	1152 Kingfisher	[illegible]
[illegible]	[illegible]	632 3018
[illegible]	98-100 [illegible]	632-6855
[illegible]	22 [illegible]	632-[illegible]
[illegible]	122 Vista Village	632-4023

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
Bob Cruzes	60 Bartholomew	[illegible]
[illegible]	31, Duncan	
[illegible]	61 White St	(A F EGAN)
Martin [illegible]	41 Haugh St	[illegible]
[illegible]	60 [illegible]	
[illegible]	6 Buckley	Kitimat
[illegible]	37 Quail St	Kitimat B.C
[illegible]	37 Quail St	Kitimat
[illegible]	31 Dunn	Kitimat B.C
Vito Coutts	P.O. Box 403	Kitimat B.C
Manuel Fernandes	24 Swan	Kitimat B.C
Eddy Viveiros	6 Grabe	Kitimat B.C
B[illegible] Anhorn	2382 Thornhill	Terrace B.C
[illegible]	1424 Hillcrest	Kitimat
[illegible]	12 Osprey	Kitimat B.C.
[illegible]	133 Halibut	Kitimat B.C
Kevin Graham	5 Nadina	Kitimat B.C.
[illegible]	19 White	Kitimat B.C
Monica Craf	23 Gannet	Kitimat B.C
[illegible]	1347 [illegible] St	Kitimat B.C
[illegible]	92 [illegible] St	Kitimat B.C
[illegible]	19 Carlson St	Kitimat B.C.
[illegible]	51 White St.	Kitimat B.C
[illegible]	36 Bittern St	Kitimat B.C
[illegible]	66 [illegible]	Kitimat B.C
[illegible]	47 584 Columbia	Kitimat B.C
[illegible]	20 Teal St.	Kitimat B.C
[illegible]	20 Teal St	Kitimat B.C
[illegible]	35 Davy Cres	Kitimat, B.C.
[illegible]	1457 [illegible]	Kitimat
[illegible]	11 Retail	Kitimat B.C
[illegible]	71 [illegible]	Kitimat B.C
[illegible]	52 [illegible]	Kitimat B.C

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
[illegible]	60 [illegible] Kitimat B
[illegible]	18 Skeena Kitimat BC
[illegible]	[illegible]
[illegible]	196 [illegible] Kitimat B.C.
[illegible]	115-1071 Jaida Blvd Kitimat B
[illegible]	15-1071 Jaida Blvd Kitimat B
[illegible]	80 Child St. Kitimat B.C.
[illegible]	109 [illegible]
[illegible]	55 [illegible] St
Ron [illegible]	31 Raley Kitimat B.C.
[illegible]	78 [illegible] Kitimat B.C.
[illegible]	66 [illegible] Kitimat B.C.
[illegible]	19 [illegible] Kitimat B.C.
Rose [illegible]	84 Whiteleaf Kitimat BC
Pine [illegible]	17 [illegible] St Kitimat B.C.
[illegible]	1434 [illegible]
[illegible]	74 Carswell St Kitimat B.C.
[illegible]	3832 Pine Terrace B.C.
Tim Baker	79 Baker St.
[illegible]	7-1458 Nalabila Kitimat B.C.
[illegible]	132 [illegible] St. Kitimat, BC
[illegible]	128 Skeena St.
[illegible]	44 [illegible] Kitimat B.C.
[illegible]	6 Turney Kitimat, BC
[illegible]	20 Chelso Street
[illegible]	13 [illegible] Street
[illegible]	50 Meldrum St Kitimat
[illegible]	16 Finch St Kitimat, BC

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME		ADDRESS
WANDA OLSEN	W Olsen	#1307-24 BANYAY, KITIMAT.
Ron deBruyne	[illegible]	7 Chilka Kitimat.
B. Burget	B. Burget	87 Bailey Kitimat, BC
D. Bailwill	D. Bailwill	Terrace BC
[illegible]		
[illegible]		69 Bilton St. Kitimat BC

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
Robert Abreu	#8 Ranway St #2401	632-2462
Edna Partington	94 Lillooet	~~632~~
Jean E. James	27 Baxter St	632-5862
Gail Bray	12 Baker	
[illegible]	70 White St	632-2777
E. Purchase	Swan	2-7434
[illegible]	30-1625 Nalabila Blvd	632-4426
[illegible]	105 Kootenay	632 6204
[illegible]	37 Ames	632-3364
[illegible]	79 Down St	632-3751
[illegible]	9 White St	632 5612
[illegible]	A14-653 W. Columbia	632-7215
[illegible]	Box 199	632 3[illegible]

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
Don [illegible]	40 Bulwin St.
Michael Mack	3 Swallow St.
June Peck	1064 Malabia Blvd
C. Rowe	1270 Albatross
[illegible]	60 Kootenay St. Kitimat B.C
[illegible]	154 Kootenay St.
[illegible]	40 [illegible] Kitimat St
Doris [illegible]	62 [illegible] St
[illegible]	1325 [illegible] Kitimat
[illegible] WALSH	57 WHITE ST KITIMAT
June Walsh	57 White St Kitimat
ANNE LEVAC	116 SAGUENAY ST KITIMAT
LYNDA ACCHA	17-480 City Centre, Kitimat, BC

K-PORT #41

North Coast Social Credit Constituency Association

P.O. Box 1111
Prince Rupert, British Columbia V8J 3W8
Telephone (604) 627-8600

April 12, 1991.

APR 12 '91

Frank Blasetti
Chairman
Major Project Review Process

Dear Mr. Blasetti,

Thankyou for coming to Prince Rupert to hear our concerns regarding the Major Project Review Process as it relates to the Kitimat Port.

I strongly support development in all communities. I support the major project review process as it is intended to function.

Clearly the concern of myself and the citizens of Prince Rupert is job loss. The loss of jobs in any community at any time is always difficult. It is unpalatable when achieved with public funds.

To insure fairness for all, I urge the major project review committee:

1. to include full public hearings throughout this economic region (Prince Rupert, Stewart, Hazelton, Terrace, Kitimat and possibly the Queen Charlotte Islands.)

2. expediate full and immediate release of all publicly funded documents.

The Major Project Review Process was initiated to encourage orderly development in the province of British Columbia.

I have every confidence if the full process is allowed to evolve, the interest of British Columbians will be served.

Yours truly,

Linda Marshall-Lutz, D.C.
NorthCoast Social Credit Candidate

LML/ka

K-PORT #42

PRINCE RUPERT FISHERMEN'S CO-OPERATIVE ASSOCIATION

P.O. BOX 520
PRINCE RUPERT, B.C., CANADA V8J 3R7
TELEPHONE (604) 624-2146

TELEX 047-89117
FAX (604) 624-3886

April 11, 1991

Mr. Frank Blasetti
Co-Chairman-Major Projects Review Panel
Ministries of Economic Development
and Environment
3rd Floor, 777 Broughton Street
Victoria, B.C.
V8V 1X5

Via Fax No. 356-8212

Sir:

Re: Proposed Kitimat Marine Terminal

On behalf of Prince Rupert Fishermen's Co-operative Association, I would like to state our opposition to the proposed development. We are dismayed that this project is being pushed forward before the environmental impact review is completed.

The Government of Canada, supported by the Government of British Columbia, signed a treaty five years ago with the United States. This is the Pacific Salmon Treaty. A driving issue was the rebuilding of depressed Chinook stocks. The Kitimat River and its adjacent habitat support an important Chinook Salmon run. It seems inconceivable that this project is being pushed ahead while we are in the middle of an international conservation project.

Yours truly,

PRINCE RUPERT FISHERMEN'S
CO-OPERATIVE ASSOCIATION

L. P. Greene
Chief Executive Officer

LPG:crc

cc: Mr. John Fraser, Speaker, House of Commons
Mr. Bernard Valcourt, Minister of Fisheries and Oceans
Mr. Harry DeJong, Minister of Agriculture and Fisheries
Mr. Peter Lester, Mayor of Prince Rupert
Mr. Dan Miller, MLA
Mr. Jim Fulton, M.P.

K-PORT #43

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS

B.C. NORTHWEST DISTRICT COUNCIL

LOCALS 1735, 1549 and 1081

P.O. BOX 94 PRINCE RUPERT, B.C. V8J 3P4
PHONE 624-5617 FAX 624-3497

April 12, 1991

Dear Sir;

This letter is in regards to the Kitimat,Terrace Port.
As all public critiques must be in by April 12 1991 and these critiques are to be made with the aid of the Government funded studies, all of which have not been released to the public. I must conclude that the major project review process wishes the public to realize that it is devlod of any credibility it once had.
To demand critiques without providing the Government funded studies goes beyond the lose of the MPRP's credibility and insults each and every citizen of the Northwest.
One does not by way of common sense, make decisions without information, unless [illegible] is an idiot or has been placed in that situation by the MPRP.
My concerns with regard to the fiscal responsibility of a new port in Kitimat and the resulting damage to a well established port in Prince Rupert, have been born out in past Government studies, which have been released to the public. Present studies, which are yet to be made readily available to the public, I am sure will raise similar if not identical issues.
As far as the enviromental impact on the area: once again I am without information. This does nothing to alleviate my concerns with regards to the enviroment.
In closing, If by only way that the process has been mishandled, let alone the financial reasons against the project, I am expressing in the strongest terms possible my opposition to any new port in Kitimat.

Yours Truly;

Ian Harris, Business Agent,
B.C. Northwest District Council.

c.c. Mr. D. Griffin
co-ordinator MPRP.

K-PORT #44

APRIL 12. 1991

MR. FRANK BLASATI
CHAIRMAN
MAJOR PROJECT REVIEW PROCESS
MINISTRY OF REGIONAL AND ECONOMIC DEVELOPMENT
4TH FLOOR. 712 YATES ST.
VICTORIA. B.C. V8V 1X6

DEAR SIR:

I AM WRITING REGARDING MY CONCERNS ABOUT THE KITIMAT MARINE TERMINAL AS AN ALDERMAN. MEMBER OF THE NORTH COAST ADVISORY COUNCIL AND AS A PRIVATE CITIZEN.

THE PROSPECTUS INDICATES AT LEAST INITIALLY THAT 300.000 TONNES OF LUMBER NORMALLY SHIPPED THROUGH PRINCE RUPERT WOULD BE DIVERTED TO KITIMAT. THIS ACCOUNTS FOR 40 TO 50 PERCENT OF THE TONNAGE OF LUMBER SHIPPED THROUGH FAIRVIEW IN PRINCE RUPERT WHICH IMPACTS GREATER THAN THE APPEARANCE OF 3% OF THE TOTAL TONNAGE THROUGH PRINCE RUPERT AS COAL AND GRAIN ARE NOT BEING CONSIDERED. FAIRVIEW TERMINAL WAS RECENTLY EXPANDED BY ONE BERTH AFTER 18 YEARS AS A MULTI PURPOSE TERMINAL AND WITH CURRENT MARKET CONDITIONS IS SHIPPING AT 40% CAPACITY.

THE EXPANSION OF FOREST PRODUCTS SUCH AS PULP MAY NOT BE AS GREAT AS EXPECTED AS THE ORIENDA PULP MILL NEAR STEWART HAS INDICATED IN THEIR PROSPECTUS THEY WILL SHIP OUT OF THE PORT OF STEWART NOT KITIMAT SOME OF THE FUTURE CARGOES AS MINERAL CONCENTRATES WILL HAVE TO BE SHIPPED VIA PRINCE RUPERT BECAUSE THEY WILL BE TOO HEAVY TO SEND BY RAIL TO KITIMAT EVEN WITH RAIL UPGRADES IMPLEMENTED. PRODUCTS OF THE COPPER SMELTER AT PRESENT HAVE A LOW PROBABILITY OF BECOMING FUTURE CARGOES. THE SOMEWHAT LIMITED CARGO FROM PRINCE RUPERT WILL NOT MAKE A TWO BERTH TERMINAL FEASIBLE WHICH THE PROPONENTS STATE ARE NECESSARY TO MAKE THE PROJECT LONG TERM FINANCIALLY VIABLE. LUMBER AND PULP FROM OTHER AREAS CURRENTLY GOING TO SOUTHERN PORTS ARE NOT ECONOMICALLY VIABLE TO COME TO THE NORTH. EIGHTY THOUSAND TONNES OF LUMBER AND PULP FROM SOUTHERN PORTS THAT IS DESTINED TO BE DIVERTED TO KITIMAT IS LIKELY NOT PROBABLE BECAUSE THE SIXTY MILES OF DIFFERENCE BETWEEN KITIMAT AND PRINCE RUPERT DOES NOT SIGNIFICANTLY CHANGE THE ECONOMIC SCENARIO. IT SHOULD BE NOTED THAT THE SUSTAT TARIFF T.F.L. THAT IS CURRENTLY DESTINED FOR THE PRINCE GEORGE AREA WILL SEE THE PORTS OF SQUAMISH AND VANCOUVER THE BENEFACTORS.DUE TO A GOVERMENT DECISION WHICH DID NOT HAVE THIS PRODUCT GO THRU PRINCE RUPERT'S TERMINAL. SO THEREFORE THIS MAKES THE KITIMAT PROPOSAL SEEM EVEN MORE UNECONOMICAL.THE PROJECTIONS OF INCREASED LUMBER AND PULP SOURCES COMING FROM THE HINTERLAND OF THE PACIFIC NORTHWEST AS PROJECTED BY THE PRINCE RUPERT PORT CORPORATION ARE MINIMAL IN THE NEXT FEW YEARS.

THE STATEMENT THAT EACH PORT WOULD PROVIDE AN ALTERNATIVE IF ONE

SHOULD BE CLOSED TO NOT THAT IMPORTANT AS MOST PORTS ALREADY REQUIRE BACK UP LAND TO STORE A WEEK OR TWO SUPPLY OF LUMBER OR PRODUCT. NO SHIPPING LINE IS LIKELY TO GO FROM ONE PORT TO ANOTHER TO RETAIN A FEW TONNES OF CARGO.

NO SEASIDE STUDIES HAVE BEEN DONE TO DATE TO IDENTIFY SHIPPING LINES INTERESTED IN USING SUCH A FACILITY. IDENTIFY HAZARDOUS OBSTACLES TO SHIPPING. PILOTAGE REQUIREMENTS AND THE MAXIMUM NUMBER OF SHIPS THAT COULD BE SAFELY HANDLED BY THE PORT OF KITIMAT. PILOTAGE COSTS MAY BE HIGH AS THREE PILOTS ARE REQUIRED TO PILOT SHIPS FROM TRIPLE ISLAND TO KITIMAT VERSUS ONLY ONE FOR PRINCE RUPERT. ARE SHIPPING LINES WILLING TO BEAR THE COSTS? DOES REDUCED CARGOES SPREAD OUT OVER TWO PORTS MAKE IT POSSIBLE THAT SOME SHIPPING LINES MAY BYPASS THE NORTH? ANCHORAGHES IN THE PROSPECTUS ARE LIMITED . HAS ANY STUDY BEEN DONE TO INDICATE IF THIS WILL REDUCE THE EFFICIENCY OF THE UPPER LIMITS OF 350 SHIPS USING THIS PORT IN THE FUTURE ? THE UPPER LIMITS AS AN EXAMPLE OF PRINCE RUPERT PORT ARE MUCH HIGHER.THE DOUGLAS CHANNEL IS LONG AND NARROW IN CERTAIN AREAS.IS THIS LIKELY TO CAUSE SHIPPING INSUFFICIENCES?

SNOWFALL AND ICE ARE MENTIONED IN THE PROSPECTUS TO BE SIGNIFICANT IN KITIMAT FOR AT LEAST FOUR TO FIVE MONTHS PER YEAR.LONGSHOREMEN INDICATE THAT THIS HAS A SIGNIFICANT IMPACT IN MOVING LUMBER AND GREATLY SLOWS DOWN PRODUCTION DURING THESE TIMES.THIS WOULD BE OF GREAT NOTE IN REGARDS TO KITIMAT AND ONLY SLIGHTLY SIGNIFICANT IN PRINCE RUPERT THEY TELL ME THAT IT IS VERY COMPARABLE TO TRYING TO MOVE ICE CUBES ON A METAL SPATULA UNDER THESE CONDITIONS.THIS MAY CREATE HAZARDS TO EMPLOYSES AND SLOW THE MOVEMENT OF THE PRODUCT IN THE WINTER MONTHS.

NO TERMINAL OPERATOR (S) HAVE BEEN IDENTIFIED AND WHETHER THEY WOULD REQUIRE SUBSIDIES UNTIL TWO BERTHS ARE FUNCTIONAL AND THE PROJECT BECOMES A FINANCIAL VIABLE ENTITY. IF NO OPERATORS ARE INTERESTED OR CAN SHOW FINANCIALLY SECURE BUSINESS PLANS THEN THE PROJECT MAY REQUIRE CONTINUED GOVERNMENT SUPPORT IN THE FORM OF SUBSIDIES. LOAN GUARANTEES. ETC...THE PROPOSAL IN THE PROSPECTUS REQUIRES SUBSTANTIAL INPUT OF PUBLIC FUNDS TO ENSURE DEVELOPEMENT SURVIVAL IN THE EARLY STAGES.

THE PROPONENTS AT THE LOCAL INFORMATION MEETINGS INDICATED THAT NO COST BENEFIT STUDIES HAD BEEN PERFORMED TO INDICATE IF THE NET ECONOMIC BENEFIT TO THE NORTH COAST REGION IS POSITIVE OR NEGATIVE. THE GAINS TO KITIMAT AND LOSSES TO PRINCE RUPERT AND POSSIBLE GAINS AND LOSSES IN THE STEVEDORING AND TRANSPORTATION COMPANIES SHOULD BE IDENTIFIED TO SEE IF THE 63 MILLION DOLLARS EXPENDITURE BY THE PUBLIC AND PRIVATE SECTOR IS WARRANTED

AS A MEMBER OF THE REGIONAL ADVISORY COUNCIL I HAVE OBSERVED THAT THE TRANSPORTATION AND PLANNING TASK FORCE HAS PRODUCED A REPORT IN THAT THE COMMUNITIES OF THE NORTH WEST JUDGED THIS PROJECT AS A LOW "B" PRIORITY ITEM IN ITS IMPORTANCE TO THE ECONOMIC DEVELOPMENT OF OUR REGION. THIS PROJECT HAS THE APPEARANCE THAT IT WAS ELEVATED IN IMPORTANCE FOR THE SHORT TERM GAIN OF A LOCAL POLITICIAN. ALSO OF NOTE IS THAT B.C. GOVERNMENT PORTS POLICY AS OF 1990 INDICATED IT WAS NOT POLICY TO SPEND FUNDS TO DEVELOPE A FACILITY TO COMPETE FOR THE SAME PRODUCT SHIPPED BY AN EXISTING FACILITY. THE PROSPECTUS INDICATES THAT THE PORT WOULD HAVE CONSIDERABLE REDUNDANCY TO FACILITIES IN PRINCE RUPERT. I WOULD SAY THIS IS CONTRARY TO EXISTING B.C. PORT POLICY. AS A MEMBER OF THIS COMMITEE I PLAN ON MOVING FOR A STUDY ON THE NET ECONOMIC BENEFIT THAT A TERMINAL IN KITIMAT WOULD HAVE ON THE WHOLE NORTH COAST REGION.MY COLLEAGUES HAVE NOT HAD A CHANCE TO PERUSE THIS IDEA DUE TO A LACK OF RECENT MEETINGS.

IN SUMMARY I FEEL THAT THIS PROJECT PROSPECTUS DOES NOT DEFINITELY IDENTIFY NEW CARGO OR A MARKET NICHE NOT ALREADY BEING ADEQUATELY HANDLED BY THE PORT OF PRINCE RUPERT. I FEEL IT SHOULD BE NOTED PRINCE RUPERT IS NOT NEAR CAPACITY AND WILL LIKELY NOT BE IN THE FORSEEABLE FUTURE. THE DEVELOPMENT OF THE KITIMAT PORT MAY CREATE TWO UNECONOMIC ENTITIES THAT WILL NEED SUPPORT FROM TWO LEVELS OF GOVERNMENT WHICH SHOULD BE NOTED ARE SUPPORTED BY THE SAME TAXPAYER. I FEEL AT THE VERY LEAST THIS REQUIRES FURTHER STUDY AS INDICATED IN MY BRIEF AND CERTAINLY LEAVES TOO MANY UNANSWERED QUESTIONS FROM PURELY ECONOMIC REASONS TO RECEIVE APPROVAL IN PRINCIPLE AT THIS TIME.

THANK YOU FOR YOUR TIME TO PRESENT MY VIEWS AND CONCERNS ABOUT THIS PROPOSAL.

SUBMITTED BY PAUL KENNEDY
544 CASSIAR AVE..
PRINCE RUPERT. B.C.
V8J 3Z5

Paul Kennedy

Mr. Dennis Horwood
57 Teal St.
Kitimat, B.C.
V8C 1K9
(604) 632-2004

K-PORT # 45

April 9, 1991

Dear Mr. Griffin,

I am writing to you in response to the most recent port prospectus for Kitimat. I have some serious concerns about the environmental impact that this development will cause.

To begin, I read in the report that

"Estuaries and tidal mudflats comprise a fraction of 1% of the total area of B.C., but hectare for hectare are among the most productive ecosystems for wildlife".

According to L.K.Wade, PhD., "....only coral reefs and tropical rainforests are thought to equal the productivity of estuaries."*

My observations and research conducted at the Kitimat Estuary over the last 12 years show that this is indeed the case. The Kitimat River Estuary is the most biologically important area in this region. It is also one of the largest estuaries on the north coast.

I have compiled bird records for the Kitimat region which go back as far as 1937. On the Kitimat Estuary, 112 species have been recorded (over half of the known species for this area). Of these, 57 spend a vital part of their life cycle on the estuary foreshore. At different times of the year, hundreds or thousands of birds rely on the estuary for food, rest, and shelter. The proposed development would seriously impact on all 57 species.

The report also proposes a compensation area for bird life that will be displaced. But the report offers no concrete evidence that bird life will be enhanced by the vague proposal in Minette Bay. If the report is suggesting to make some kind of marsh land similar to other Ducks Unlimited projects, then the number of species this would benefit is incredibly low. (optimistically 22/56). This low number of species does not include the most numerous species regularly recorded on the estuary (Diving ducks, loons, grebes, gulls, and eagles). In short, the Minette Bay proposal is seriously flawed.

In fact, I find the whole proposal seriously flawed, as it ignores the great value a natural estuary has to fisheries, marine mammals, bird life, and shellfish. It does not take into account that the estuary has already been seriously impacted, most notably by industrial pollution. There is a current shellfish closure and natives have stopped fishing for eulachon due

to pulp mill effluent. The estuary has been dyked, has settling ponds and an industrial dump site, is a log booming ground, and once even had a golf course on it. Further, Alcan, Eurocan, and Ocelot terminals have together developed about one-third of the estuary foreshore. It is time to stop and take a serious second look.

I would like to propose a 3 step plan.

1) Make a commitment to stop any further industrial development on the estuary. Development is past its maximum.

2) Make a serious study of the alternative site for the port, and begin serious discussions with Alcan.

3) Before any industrial development occurs, the Minette compensation area be constructed to prove it will fully compensate for lost habitat.

It is my sincere hope and belief that what I have written is enough to make you realize further study of this proposal an absolute necessity.

Sincerely,

Dennis Horwood

Dennis Horwood

* Heritage Record #1 British Columbia Provincial Museum, *Mountains and Seas: Selected Papers from a Conference*, 1975.

cc. Jim Gustafson, Kitimat, B.C.

EIDSVIK & ASSOCIATES
CHARTERED ACCOUNTANTS

Odd I. Eidsvik, C.A.
Clem Leong-Sit, C.A., Associate
Nancy Wilson, General Manager
Jim Trense, Manager, Accounting Services
Norman Wilkes, Office Manager

212-6700 No. 3 ROAD
RICHMOND, B.C.
V6Y 2C3
TELEPHONE 276-5360
FAX 276-5320

Reply to:
No. 10-222 West 1st AVENUE
PRINCE RUPERT, B.C.
V8J 1L1
TELEPHONE 627-1395
FAX 627-8058

K-PORT # 46

April 12, 1991

Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Mr. Derrick Griffin

Dear Mr. Griffin:

RE: Proposal by the Kitimat Port Society
to the Major Project Review Process

I wish to oppose the above proposal based on the following facts:

a. The Provincial Government's own policy of Ports states that the Province of British Columbia will not spend public money to fund another port, if that port was in competition or would take jobs away from another facility in the region.

Comment

The spending of approximately $63 Million of Provincial funds on the proposed port in Kitimat, when the facility in Prince Rupert is operating 40% of capacity, is not a logical expenditure, as it does nothing to enhance the region as a whole.

b. The Provincial Government's own Regional Economic Development Ministry has guidelines that prevents it from funding similar developments that will be in competition with another established business.

Comment

The feasibility study expects that products presently shipped through Prince Rupert will be shipped through the proposed port facilities at Kitimat and therefore the Province is not abiding by the guidelines it established for funding assistance to business.

c. Years ago, the Provincial Government established Regional Advisory Councils all over British Columbia to give advice to the Province concerning items of importance to the region. The Northwest Region, included the Hazeltons, Terrace, Kitimat, Prince Rupert, Queen Charlotte Islands, and all the Indian Villages in the area. The decision of the group was the Kitimat Port Facility was rated a "Low B".

Comment

The recommendation of the Advisory Council was that there were many other more important projects in the Northwest than the Kitimat Port Facility.

d. If private enterprise was to construct at port facility at Kitimat, I would have not concern as it is not public funds that is used to develop the facility.

e. At the time the port facility was developed at Prince Rupert in the late 1960's and early 1970's, it was acknowledged by the Federal Government and the Provincial Governments of British Columbia, Alberta, and Saskatchewan that a second major port was required on Canada's west coast because Vancouver's port facilities were so congested.

Comment

If the port facility at Prince Rupert was used to capacity and there was congestion and delays in shipping Canada's exports, then I would agree that another port was required in our region. But, this is not the case, as the port of Prince Rupert's facilities are used to only 40% of their capacity at the present and the foreseeable future.

f. Transportation costs by the exporters in our region and east are cheaper to Kitimat than to Prince Rupert.

Comment

Trucking costs are cheaper from Terrace, Hazelton, Smithers, Houston, Burns Lake, to Kitimat than to Prince Rupert. That is correct, but that decrease in cost will be offset to a large extent if a major terminal is established in Kitimat because of:

i. Snow removal costs from lumber and storage area. One only has to review the District of Kitimat's annual financial statements to determine their annual snowfall. Someone must pay for these snow removal costs or construct buildings in which to store lumber products (which also would add to the costs of operation which would be passed on the user of the facility).

ii. The additional sailing time of ships continuing past Prince Rupert to Kitimat would add to the cost of shipping the export product.

iii. The cost of pilots is increased because of the increase in sailing to/from open waters to Kitimat and return.

iv. If the port facility is constructed, I understand there will only be two safe anchorages for ships in Douglas Channel. The nearest anchorage for other ships is Prince Rupert harbour and surrounding waters. This would increase the cost of shipping exports from Kitimat.

v. The cost of shipments made by rail from Smithers and cost to Prince Rupert or Kitimat are equal and therefore there is no saving of transportation costs to either port.

vi. I understand that products of the new proposed pulp mill north of Kitwanga and the two pulp mills in Prince George were including in the feasibility study for products to be handles by the proposed port facility in Kitimat. But, I understand that the production of the proposed new pulp mill is to be handled in Stewart and by rail. The two mills in Prince George are obligated by the Province of British Columbia to ship B.C. Rail to Vancouver.

<u>Comment</u>

It would appear that the feasibility study incorrectly estimated the amount of products available to the proposed port facility at Kitimat.

In closing, I wish to emphasize that public monies should not be spend constructing a facility that will be in competition with another facility in the same region. I have no objection to private enterprise building the facility.

I earnestly request that the committee consider the points that have been addressed in this submission.

Yours respectfully,

EIDSVIK & ASSOCIATES

Odd I. Eidsvik
Chartered Accountant

OIE/kp

16-37 COMMUNITY FUTURES
16-37 BUSINESS DEVELOPMENT CENTRE

#4 - 3250 EBY ST.
TERRACE, B.C.
V8G 5H4

TEL: (604) 635-5449
FAX: (604) 635-2698
TOLL FREE 1-800-663-6396

K-PORT #47

1991.04.09.

Mr. Derek Griffin,
MPRP Co-ordinator
Regional Planning and Infrastructure Branch,
Ministry of Regional and Economic Development,
712 Yates Street,
Victoria, B.C.,
V8V 1X5

Dear Sir:

Re: Kitimat Marine Terminal
Kitimat-Terrace Port

The 16-37 Community Futures Society is a regional economic development agency established by Employment and Immigration Canada to support sustainable development within the region.

Our area of responsibility is approximately the same as the Regional District of Kitimat-Stikine.

We are actively supportive of responsible, sustainable development within our region.

As such we would very much like to support the proposed Kitimat Marine Terminal. We believe that if planned and executed with proper concern for environmental and socio-economic issues it could be a very positive venture for the region.

Because of the potential for long-term job creation within the region, we are interested in developing job training programmes which will allow present residents of the region the opportunity to qualify for the positions which will become available at the terminal and in related, spin-off businesses.

Sufficient time to adequately absorb and respond to all the data released by the Port Society has not been given to the public. Some major background reports, including the Socio-Economic report have only been out for a week as of this writing with a week left to respond to MPRP.

We recommend that the project be moved through the next stage of the Major Projects Review Process to ensure that the necessary consultative process required to develop these plans more fully takes place.

Yours very truly,

J. Nyland,
President

cc Kitimat-Terrace Port Society
District of Kitimat
City of Terrace
Regional District of Kitimat-Stikine
Kitamaat Band Council
Kitsumkalum Band Council
Kitselas Band Council

Forwest BUS LINES LTD.

217 CITY CENTRE, KITIMAT, B.C. - V8C 1T8

HEAD OFFICE: KITIMAT 632-3333 TERRACE 635-6817
FAX: 632-5701 PRINCE RUPERT 624-6400
DEPOT 632-4444 SMITHERS 847-9172
EXPRESS 632-7588

K-Port #48

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REGIONAL & RESOURCE
DEVELOPMENT BRANCH

April 11, 1991

Mr. Derek Griffin
MPRP Coordinator
Ministry of Regional and Economic Development
Province of British Columbia
712 Yates St.
Victoria, B.C.
V8V 1X5

Dear Sir;

We as a long term (established 1956) transportation company see significant economic benefit from the establishment of a public port in Kitimat. Development of the Pacific Northwest can only take place if the proper infrastructure is built. A very critical part of that infrastructure is the port, as it opens up tremendous opportunities for future development.

We recognize that it will take public assistance, however, when one takes into consideration the amount of tax revenue that is currently generated by our area, getting some development money back, which will stimulate additional revenue, there should be no question of Provincial support.

Our area is not agricultural and therefore any industrial development will not affect our much needed high quality, Lower Mainland land. Spreading our industrial base, significantly reduces pressure on the Vancouver core which is currently struggling to provide an infrastructure, which we would suggest costs signficantly more than it would in the Northwest. Diversification is required, it cannot occur without an infrastructure; an important component is a public port which we enthusiastically support.

Yours truly,

Alvin F. Zaharko
President

AFZ:mgs

K-Port #49

PRINCE RUPERT & DISTRICT
Chamber of Commerce
P. O. Box 189 115 West First Avenue
PRINCE RUPERT, British Columbia V8J 3P6 CANADA
TEL.: (604) 624-2296 FAX: (604) 627-8493

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619
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DEVELOPMENT BRANCH

April 12, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional & Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

In response to the April 12, 1991 deadline for written submissions on the M.P.R.P., please find a brief containing the concerns of the Prince Rupert and District Chamber of Commerce.

Although we appreciated the opportunity to publicly speak on this issue on Tuesday, April 8, 1991, we are very disappointed with the manner and atmosphere of the meeting. A public meeting should have taken place in good faith on the part of the M.P.R.P. instead of taking place under protest by this department.

As I state in the brief, the major impact it will have on the Economic Zone of North West British Columbia has totally been ignored. We are most distressed to think this process would ignore the economic impact on the City of Prince Rupert of such a Kitimat port.

It is basically indecent to think that vital information is not available and that we must fight to voice our opinions and concerns. Dialogue with the communities affected is a duty of your ministry, not a priviledge to the communities.

We have an inherent right to voice our opinions and concerns and to receive information from our government - the M.P.R.P. has alienated those rights.

We deserve the courtesy of receiving information in a timely manner. Just as the M.P.R.P. needs time to prepare - so do the citizens. The M.P.R.P. has shown disrespect and indifference to the citizens of Prince Rupert. We feel this attitude is intolerable.

We would hope that a fresh and positive attitude towards our city is being developed and encouraged within your ministry. Only with this change can you develop any sense of credibility.

We look forward to a quick and positive response from your office.

Yours truly,

per

Rick Lindseth,
President

CITY OF PRINCE RUPERT

424 WEST 3rd AVENUE
PRINCE RUPERT, B.C.
V8J 1L7

PHONE: (604) 627-1781
FACSIMILE NO.: 627-0999

FILE NO.:

INCORPORATED MARCH 10, 1910

Derek Griffin
Co-ordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

April 12, 1991

Dear Sir;

RE: PROPOSED PORT IN KITIMAT

This letter is to confirm a submission will be forth coming from the City of Prince Rupert and to inform you, in point form, of the issues we believe to be involved.

1. Development of a port facility in Kitimat is not consistent with the stated objectives of the British Columbia Port Policy.

2. Development of a redundant deep sea port at Kitimat will create a situation where tax payers' money will be used to finance two competing facilities with no net gain to the region.

3. The transfer of 46 jobs from Prince Rupert to Kitimat at significant tax payer expense will erode the existing tax base of Prince Rupert.

4. Increased shipping traffic in the Douglas Channel and the areas surrounding its entrance will negatively impact on the commercial fishing industry and fish processors in Prince Rupert.

5. Potential marine disasters and negative environmental impact created by accidental spills, collisions and groundings of vessels and illegal acts such as pumping bilges in Navigable Waters are significantly increased by construction of a Kitimat Port.

In closing, we ask why is the government, in this period of high unemployment, heavy taxation, and operating with a substantial deficit, even considering spending tens of millions of dollars with the sole result of transferring 50 jobs from one community to another?

Sincerely,
CITY OF PRINCE RUPERT

Erminio Pucci, Manager
Department of Economic Development and Tourism

K-Port #50

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DEVELOPMENT BRANCH

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

This letter is to officially inform you of my opposition to the proposed construction of a deep sea port facility at Kitimat.

I believe the public information meetings held at Kitimat and Terrace were entirely unsatisfactory for the following reasons:

1. A deep sea port facility at Kitimat will have major impact on Prince Rupert and information concerning that impact was inadequately discussed.

2. The chairman of the meetings held in Terrace/Kitimat was a partisan participant who freely and continually demonstrated his bias against those questioning the port proposal.

3. The meeting chairman conducted himself in a rude and discourteous manner making it extremely difficult for concerned parties to ask pertinent questions or receive useful answers to the few questions they were able to ask.

4. The public information meetings failed to provide concerned citizens with adequate information upon which to develop well informed and meaningful submissions.

In order that the Prince Rupert & District Chamber of Commerce may be a full and informed participant in the Major Projects Review Process, we ask the following actions be taken immediately:

1. A public information meetings be held in Prince Rupert.

2. All information concerning every aspect of the proposed port at Kitimat, especially all information paid for by government (tax payer's) money be made available to all concerned parties immediately.

3. The April 12, 1991 deadline for written submissions to the MPRP be extended to allow all parties to make full use of all information, which t6o this date has been withheld.

I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

E Thom - 07727

E. THOM
602 5th AVE. E
PRINCE RUPERT
B.C. V8J 1S5

K-Port #51

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6/7
APR 17 1991
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DEVELOPMENT BRANCH

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

D.A. Hendriks.

K-Port #52

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DEVELOPMENT BRANCH

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Joseph A Bea

Man # 32507 I L W U

Unskilled labourer threatened by this Kitimat port proposal, and my observances in regards to this port primarily has to do with the numbers of jobs effected.

Affected jobs stated to date range in numbers from 50 to 64 jobs total.

In all actuality, by my calculations, taking the board system, instituted by our union into consideration the number of jobs effected would range in numbers to 100 to 200 and maybe to 300 people making livings from the Rupert Port.

K-Port #53

APR 17

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

F. Torresan

F. TORRESAN
408 - 7 - AVE - W
P. R. B C.

K-Port #54

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APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

R. J. Sklapsky

R. J. SKLAPSKY
400 - 8TH AVE. WEST
PRINCE RUPERT, BC

K-Port #55

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Gary Corlett

1227 water St
Pr. Rupert B.C.

K-Port #56

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APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly, W. D. Evans

206-206-Sherbrook AVE
Prince Rupert B.C
Bill EVANS.

K-Port #57

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Maurice D'Eon

K-Port #58

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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3. The April 12, 1991 deadline for written submissions to the MPRP be extended to allow all parties to make full use of all information, which t6o this date has been withheld.

I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Jim Parker

April 8, 1991

K-Port #59

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

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I believe the public information meetings held at Kitimat and Terrace were entirely unsatisfactory for the following reasons:

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Mathew Wright
445. 8th west
Pr. Rupert B.C.

RECEIVED
APR 17 1991

K-Port #60

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Larry Matthews

LARRY MATHEWS
#2 1023 3rd ave. West
Prince Rupert B.C.

RECEIVED
APR 17 1991
621
REGIONAL RESOURCE
DEVELOPMENT BRANCH

K-Port #61

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Mike Bigford
Box 831
Prince Rupert
V8J 3Y1

RECEIVED
APR 17 1991
RESOURCE
DEVELOPMENT BRANCH

K-Port #62

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Don Gray
537. 7. ave. West
PR RUPERT. BC. V8J 2L9
DON GRAY

RECEIVED
APR 17 1991

K-Port #63

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Jack Bains

JACK BAINS
901 1ST AVE W.
PRINCE RUPERT
B.C.

RECEIVED
APR 17 1991

K-Port #64

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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Yours truly,

John Klimenko

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APR 17 1991

April 8, 1991

K-Port #65

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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Yours truly,

R. C. Campbell

1502 2ND AVENUE WEST,
PRINCE RUPERT, B.C.

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APR 17 1991

April 8, 1991

K-Port #66

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Dan A. Beaton
#5 Mountain View Trl. Crt.
Prince Rupert BC

RECEIVED
APR 17 1991

April 8, 1991

K-Port #67

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

Gunnar Nyborg
855 - 1 Av West
Prince Rupert

RECEIVED
APR 17 1991

April 8, 1991

K-Port #68

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

B.J. Campbell

BARRY J. CAMPBELL
6649 BROADWAY ST.
BURNABY BC.
V5B2Y6

RECEIVED
APR 17 1991
REGIONAL RESOURCE
DEVELOPMENT

April 8, 1991

K-Port #69

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
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Yours truly,

Gordon Westrand

GORDON WESTRAND
1540 LINCOLN AVE.
PORT COQUITLAM
B.C.
V3B 2J3

RECEIVED
APR 17 1991

April 8, 1991

K-Port #70

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

M A. Campbell
1642 2nd ave
Prince Rupert BC.

RECEIVED
APR 17 1991
REGIONAL RESOURCE DEVELOPMENT

K-Port #71

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

John T Mutch
1504 10th East
PRINCE RUPERT. B.C.
V8J-2V3

April 8, 1991

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APR 17 1991

K-Port #72

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

jpnolet

JP. NOLET
703-14th Ave East
PRINCE RUPERT B.C.

RECEIVED
APR 17 1991

April 8, 1991

K-Port #73

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Daniel D'Eon

Daniel S. D'Eon
912 Comox Ave
Prince Rupert B.C.

RECEIVED
APR 17 1991

April 8, 1991

K-Port #74

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

Dave Anderson

David K. Anderson
1817 2nd AVE WEST
PRINCE RUPERT B.C.
V8J 1J5

RECEIVED
APR 17 1991

April 8, 1991

K-Port #75

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
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3. The April 12, 1991 deadline for written submissions to the MPRP be extended to allow all parties to make full use of all information, which t6o this date has been withheld.

I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

[illegible]
[illegible] MUTCH
[illegible]
Port Edward BC
V0V 1G0

RECEIVED
APR 17 1991

April 8, 1991

K-Port #76

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

This letter is to officially inform you of my opposition to the proposed construction of a deep sea port facility at Kitimat.

I believe the public information meetings held at Kitimat and Terrace were entirely unsatisfactory for the following reasons:

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Tom Pilfold
507 PILCSBURY AVE
PRINCE RUPERT B.C.

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #77

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Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

J. Micholuk

1105 BORDEN ST.
PRINCE RUPERT B.C.

RECEIVED
APR 17 1991

April 8, 1991

K-Port #78

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

740. 8th. Ave East.
P. Rupert. BC- V8J 2M9. 624.5753

RECEIVED
APR 17 1991

April 8, 1991

K-Port #79

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

JORGE PIZARRO
440 6TH AVE WEST.
V8J 1Z4.
PRINCE RUPERT.

RECEIVED
APR 17 1991

April 8, 1991

K-Port #80

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

D E Walpy
901-1st Ave. W.
Prince Rupert, BC
V8J 1B4

RECEIVED
APR 17 1991

April 8, 1991

K-Port #81

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

F. Jensen
855. 1. AVE W
PR Rupert

April 8, 1991

RECEIVED
APR 17 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #82

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Lawrence Mitchell.

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APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #83

Attention: Derek Griffin
Co-ordinator

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Yours truly,

Ian Strachan

Ian Strachan

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APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #84

Attention: Derek Griffin
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Yours truly,

L Corbett

L Corbett
1219 Water ST
Pr Rupert

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #85

Attention: Derek Griffin
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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

B. Mudrick

B. MUDRICK
105-MOUNTAINVIEW TR-CRT
V85 2Z3

RECEIVED
APR 17 1991

April 8, 1991

K-Port #86

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

Pat Haywood

PAT HAYWOOD
1755 2nd AVE. WEST
PRINCE RUPERT, B.C.
V8J 1J5

RECEIVED
APR 17 1991

April 8, 1991

K-Port #87

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Barry Blyth

Barry Blyth,
1305, Park Ave.,
Prince Rupert, B.C.

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #88

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

W.A. Robinson

W.A. Robinson
1433 Cinnecha Ave
Prince Rupert
BC
185 2B9

RECEIVED
APR 17 1991
REGIONAL DEVELOPMENT BRANCH

April 8, 1991

K-Port #89

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Co-ordinator

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Yours truly, Lawrence Kozmaniuk

Lawrence Kozmaniuk
420 Sherbrooke Ave
Prince Rupert B.C.
V8J 2V9

RECEIVED
APR 17 1991
REGIONAL RESOURCE
DEVELOPMENT BRANCH

April 8, 1991

K-Port#90

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K Port #91

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

KRMacLean

KEN MACLEAN
2128 GRAHAM
PRINCE RUPERT, B.C.
V8J 1C8

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #92

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Tom MacDonald

Tom MacDonald

RECEIVED
APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K- Port #93

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

This letter is to officially inform you of my opposition to the proposed construction of a deep sea port facility at Kitimat.

I believe the public information meetings held at Kitimat and Terrace were entirely unsatisfactory for the following reasons:

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2. The chairman of the meetings held in Terrace/Kitimat was a partisan participant who freely and continually demonstrated his bias against those questioning the port proposal.

3. The meeting chairman conducted himself in a rude and discourteous manner making it extremely difficult for concerned parties to ask pertinent questions or receive useful answers to the few questions they were able to ask.

4. The public information meetings failed to provide concerned citizens with adequate information upon which to develop well informed and meaningful submissions.

In order that the Prince Rupert & District Chamber of Commerce may be a full and informed participant in the Major Projects Review Process, we ask the following actions be taken immediately:

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2. All information concerning every aspect of the proposed port at Kitimat, especially all information paid for by government (tax payer's) money be made available to all concerned parties immediately.

3. The April 12, 1991 deadline for written submissions to the MPRP be extended to allow all parties to make full use of all information, which t6o this date has been withheld.

I hope you will react quickly to my request and look forward to your prompt response.

Yours truly, Ignazio Torresan

IGNAZIO TORRESAN
710-7TH. AVE. W
Prince Rupert. BC
V8J 2M1

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APR 17 1991
REGIONAL RESOURCE
DEVELOPMENT BRANCH

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #94

Attention: Derek Griffin
Co-ordinator

Dear Mr. Griffin:

This letter is to officially inform you of my opposition to the proposed construction of a deep sea port facility at Kitimat.

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

GARY KEAST

Gary Keast

1741 # 410 KOOTNEAY AVE
PRINCE RUPERT
V8J 4A3

April 8, 1991

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APR 17 1991

K-Port #95

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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Yours truly,

Robert Gaudry

R Gaudry.

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APR 17 1991

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #96

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Co-ordinator

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Yours truly,

Barry McLeod

Barry McLeod

April 8, 1991

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APR 17 1991

K-Port #97

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
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Yours truly,

Terry Jollimore
#23. Hays Ville Dr.

April 8, 1991

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APR 17 1991

K-Port #98

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
Co-ordinator

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Yours truly,

Gerald Scuff
950 Skeena Dr.
Port Edward BC

April 8, 1991

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APR 17 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #99

Attention: Derek Griffin
Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly, Raymond H. Martin 931 - 1st W
Pr. Rupert, B.C.
V8J 1B4

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APR 17 1991
REGIONAL DEVELOPMENT BRANCH

April 8, 1991

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #100

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Co-ordinator

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Yours truly, Ronald W. Martinson

April 8, 1991

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APR 17 1991
REGIONAL DEVELOPMENT

K-Port #101

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

L. Wilson

RECEIVED
APR 17 1991
REGIONAL & RESOURCE
DEVELOPMENT DIVISION

April 8, 1991

K-Port #102

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

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Yours truly,

April 8, 1991

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APR 17 1991
REGION... DEVELOPMENT DA...

K-Port #103

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Derek Griffin
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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

Douglas Hembroff
#20 Haysvale Dr.
Prince Rupert B.C.
V8J-3Z1

April 8, 1991

RECEIVED
APR 17 1991
DEVELOPMENT DIVISION

MAJOR PROJECT REVIEW PROCESS
Ministry of Regional and Economic Development
Fourth Floor - 712 Yates Street
Victoria, B.C.
V8V 1X5

K-Port #104

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Co-ordinator

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I hope you will react quickly to my request and look forward to your prompt response.

Yours truly,

John Spiks

DANA MARINE SERVICE
102 - 370 CITY CENTRE
KITIMAT, B. C. V8C 1T6
TEL. (604) 632-2131 OR 632-4426 (24 HRS.)
MARINE SURVEYING AND CONSULTING

K-Port #105

Mr Griffen.
Project Co-ordinator.
Ministry of Economic Expansion.
Kitimat Port Expansion Project.
C/o Kitimat Municipal Offices.
City Centre Mall.
Kitimat BC.
Delivered by Registered Mail.
25th of March 1991.

Dear Sir,

Trying to sort out the conflicts surrounding the K.P.E.P after the two information meetings must be a challenge for you,and as a professional marine surveyor and urban land economist it is within my realm of expertise to comment on this project.As a Kitimat resident for over 20 years I must confess a bias to taking the position that the project is long overdue, if we are to have a fulfillment of the aspirations of most Kitimat citizens.Further there can be no expansion of the industrial infrastructure of the Kitimat economic base without a public port facillity.The project is timely, and meets many if not most of the socio-economic aspirations not only of Kitimat but the Kitimat Corridor Concept which embodies Terrace ,points east ,and North.

My feeling based on a study contracted for BC. Hydro as recent as 1990. done by our firm,suggests to me that the following points in the study were either understated,or exaggerated. Looking at the economic forecast table,our study showed that this projection was understated. The socio-impact study was under-rated as to the benifit side and the socio-impact study exaggerated the impacts on the Port of Prince Rupert.In the report we submitted to BC hydro entitled "Economic overview of the North West region," in our regional analysis

we suggested that additional port facilities at Kitimat would benifit the port of Prince Rupert by product specialisation developing both Prince Rupert and Kitimat with increased product flow to the region.This Was arrived at by BC. Hydro,s own customer needs future impact/demand projections tabled in support of the Site "C" project, and further, the impact study of Hydro customer demand impact studies tabled in support of the Kemano Two expansion project refer to the similar profiles of future use customers.

A further input overlooked has been the Mining association advance planning studies which project, projects on stream or expected on stream over the customary five year advance planning projections.No doubt the ministry has their own studies as a blueprint over many more years than the Price Waterhouse data presented and will be better able to assess the land or margin of error Price Waterhouse applied.It is not a radical document and errs on the conservative side.Our study took into account CMHC.future needs studies for the region within the Prince George to Prince Rupert CORRIDOR as well as Prince Rupert Cities own economic forecast tabled late 1990. Therefore I find it ludicrous to hear the nightmare scenario presented by Prince Rupert at the public information hearings.No indication of weightings applied by Price Waterhouse was submitted, but knowing their cautious approach no doubt the factor was hedged on the safe side.My experience with similar port expansion projects when undertaken,if they were built with the clients in mind caused a line up for end users all wanting to incorporate into the design and use of the port.Therefore I suggest that given the fact geographically that the corridor representing Prince George to Prince Rupert passes through Burns Lake which is as near as dammit to the geographical centre of BC.When we consider then the ammount of economic activity between that line and the US. border,and visualise that North of the line is hardly developed AT ALL yet contains the bulk of mineral deposits,timber supply,oil,gas,barely scratched, it is not diffficult to stretch the point that if any future expansion of the Province of BC,s major economic thrust in the future must progress North of this central corridor as opposed to the South of the line, where the majority of the resources are nearing depletion.As tightening of environmental and other concerns impact on the needs of our producers to remain in business it therefore is not untenable that in the interests of providing reasonable alternatives that everything in my mind and on file in all the agencies, is the utilisation of the North to a far greater measure is quite concievable

CAPABILITY

and would outstrip the port of Prince Rupert with its limited land base.Kitimat then over an accelerating short term would from a capital cost perspective be a reasonable way to address this short to long term transportation need within acceptable capital cost. The Kitimat port will be a success and wise advance planning by our government facing diminishing dollars,giving the North the support it needs to be the economic engine of BC in the future.As far as the technical aspects re :Port Design I must take off my economists hat and put on my Marine Surveyors hat.As a marine surveyor,and master mariner,I disagree with the technical design as presented.This was further accented by my question to the Port Society Chairman at the Kitimat Meeting when I asked if the drawings were the conceptual drawings or the working drawings.If they are working drawings why even hold a information process if the public cannot have input.It has been my experience that many an engineering proposal was not well thought out and when engineers forget to consult users many a snafu can emerge.For example consultation with the Pacific Pilotage authority would have excluded the design of a two tier berth at Kitimat and would have revealed the problems experienced by Eurocan at their dock.Due to channel restrictions the following proceedure must be employed.If ship "A" wishes to berth ahead of ship "B" at the seaward end of the dock ,ship "B" must leave the berth to let ship "A" move into position.This has meant extra tugs of larger power to handle the manouvers,plus extra pilotage costs to the ship affected.It would not therefore be feasible to design a similar dock for a public wharf and if Eurocan does go ahead and build on the other side of their existing dock we wont have one ship passing the other only,but passing between the vessel on the Eurocan side and the vessel on the public dock side to move into berth ahead of vessel "B".This may be acceptable to an engineer sitting in his office in Vancouver,but if you are a master ,or a pilot trying to dock with winds and tides,in rain or snow at night,the excercise is a total dud.Secondly engineers think moving ships are like driving a car down town Vancouver and spot a parking space on a busy street ,slam on the brakes and get it in the spot.Once one understands the fluid motion of the sea,with tide running,and calculate the forces created kinetically by a 47,000 ton vessel under way,add the wind factor from any direction and resulting pressure per sq inch on ships above water component,the resultant forces need manouvering room to prevent a colossal disaster.I want the design to be re-worked in consultation with pilots and masters,not some engineering intern

MOORE

who has no concept of the physical impossibility of his design.It will cost more to build a bad dock than a good one,but what amazes me that no consultation was made with nor did the committee see the need to have a mariner on the society executive.I sure would resent Kitimat losing a port expansion opportunity because we sent politicians to set its design and not mariners charged with the safety of their vesssels under way .Technically then we have a bad document or concept and it must be reconsidered technically.If we move so far from the Eurocan wharf to remedy the manouvering restrictions visualised we run the risk of increasing the velocity of the Kitimat river and [redacted] we have an inference to this in the report with no flow tank studies to analyse bed silt flow patterns.[redacted]

Further I do not accept the rationale that to prevent subsidence at the Eurocan wharf we must move away from it towards the Kitimat river Minette Bay side.Surely the illustrious firm of Sandwell have heard of refrigeration of the Eurocan side behind sheet piling to stabilise the Eurocan dock.This could be shared by Eurocan and the public port for a lot less dollars than proposed.Eurocan then would have the present problem solved and a extra dock in the process the same space as the present drawings would support a short finger dock with ships berthing one on the Public dock on the Eurocan side and when further demand warrants the Minette bay side of the dock could be developed.Instead of expensive pilings to support the transit sheds etc.,why not send freezing pipes down and turn the area into a block of iceand gravel.The block once frozen is easy to keep in that state at little cost.The ammonia is produced at Ocelot chemicals and all one needs is the compressor.The glacial till nature of the area suggests to me an excellent use of this technology to build the harbour for half the cost of dredging and piling.This concept is not far out given the ambient water temperature of water in the Kitimat bayshore area.The Kitimat River sees to it that the water is the ideal coolant keeping a refrigerated mass at a constant temperature for little cost.As with the approaches to the harbour the whole area lends itself to well tried freezing technology at minimal cost.On a line with the front side of the Ocelot plant entrance side or inland side,we run for BC Hydro from the Alcan highway from the Eurocan Sub Station by the Haul road overpass a series of test holes and impact tests.At most holes we could go to 282 feet and still did not hit bottom ,with water and ooze as the main component.Just imagine dropping pipes to that depth and applying refrigerant.We would have a solid mass to build on

on the landward side at minimal cost.Just imagine these pipes continuing out into the bay in the configuration of our port and it could take any shape,hold any ship,at a cost far below what is projected.I cannot imagine spending $63,000,000-00 on a bad technical design but It would guarantee a port at Kitimat if we could consider alternate methods ,well tried engineering methods,to build our port at a recoverable cost making the port so competitive that we have the freedom to make money at competitive rates.Sandwell should have to justify their design and should have proposed alternative methods of construction.I have no difficulty with the drawings being submitted as conceptual with the proviso we can discuss the working drawings once consideration on cost of alternate methods of constructing the port can be part of the process.Can you imagine BC.the exporter of port technology to the world and the Kitimat port as the model of our advanced port design.We would repay the governments assistance and BC would set the world on its heels.By the way ports have existed as ice harbours to my knowledge since WWII.using the same concept wharfs appeared when needed in short orderXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Sheet piling surrounds the area of water one wishes to enclose.The sheet piling is insulated on the inward side of the enclosed area.The pipes are then driven into the bottom of the enclosure XXXXXXXXX vertically from the surface of the water to any depth engineers wish tp stabilise and the beauty of it is the bottom contours really are not a problem.The pipes are connected to the refrigerant from a manifold and gravel is added once the water starts setting.The process takes about two days to go solid to the depth of the refrigerator pipe be it sixty or eighty feet into the sea bed.Once the block has been frozen solid the combination of gravel and icethe refrigerator pipes are permanently connected ,gravelled over and covered with concrete or ashphalt burying the freezer pipes for ever.The frozen block remains at little cost in maintenence.Skalbania wrote some excellent papers on the subject and build worthless sites in Vancouver into some of your finest office buildings.Why not a port given the nature of the Kitimat soil dynamics.

In conclusion then I am not all happy with the technical side of the report and some way must be seen to conserve the right to have the engineers at Sandwell [redacted] take into account the items expressed.I would argue the merits of their technical presentation and would wish they would ,or the opportunity for them to present themselves before these plans are finalised as they are short of the mark in

my mind.I would further like to see the port society at least get a sea-going professional from the pilotage authority or a master on their committee to prevent Prince Rupert scuttling this project because of ineptitude IN THE AREA OF EXPERTISE by the Kitimat Port Society. In the extremely delicate area of ship handling and manouvering under awful weather conditions,when most of the committee are in bed, those charged with safe movement of vessels are struggling with their bad technical design. A port to be practical and safe needs to be a simple concept, with easy, rather than difficult movement in inner reaches.Even with the best design one can never visualise the vagaries of weather,a tug failing,or a strong tide and wind combination.Nor can one visualise the varying degrees of competency for we are open to the world of shipping and not all ships are at the same class ,from command to sea worthiness.If we add the factors suggested to faulty design considerations we build a stick to beat our own back.My advice is lets approve the building of the port at Kitimat and do that soon.On the technical side let us spend some time sharing some sober thoughts with the minds that have to use the facility and come up with a design that is superior to this one which is less than adequate and way too costly.As a master mariner/surveyor and urban land economist it may be that I can count dollars and evaluate value, as well as, if not better than, the engineering side of this report.Given the geotechnical evidence one surely could discuss the matter privately as to the considerations I have tried to raise.I want the Kitimat port to proceed so bad that my teeth water but I must as a professional voice the concerns that it be a good port and a safe one.One soon gets to know when insurance rates soar for a ship if the technical plan is as I suspect ,suspect, and specious at best.

Cordially Yours.

Arthur David Serry RI(BC).Master Mariner.
30-1425 Nalabila Bvld.
Kitimat BC. V8C 1E4

Ocelot
Chemicals
Inc.

April 02, 1991

DISTRICT OF KITIMAT
RECEIVED
APR - 4 1991
Mayor
FILE

K-Port #106

Kitimat/Terrace Port Society
C/O District of Kitimat
270 City Centre
Kitimat, B.C.
V8C 2H7

Attention: Mayor Rick Wozney

Dear Mr. Mayor:

We at Ocelot are excited about the proposed development of port facilities in Kitimat.

For many years this has been the subject for great debate and finally the opportunity for it to happen appears to be near.

From Ocelot's perspective, it offers the possibility to upgrade road and rail facilities and provides an alternate route to ship our products.

We would like to wish the Society every success in your efforts to complete this project and fully support your endeavors.

Thank you.

Yours truly,

OCELOT CHEMICALS INC.

W. C. Eynon

W. C. Eynon
Plant Manager

WCE:bmg
File #14820/900.05/120.03

P.O. Box 176
Kitimat, B.C.
V8C 2G7
(604) 639-9292
Telefax 632-7944

K-Port #107

KITIMAT - TERRACE PORT PROPOSAL FROM PERSPECTIVE OF G.J.BLOOMER

TO: KITIMAT-TERRACE PORT COMM. / M.P.R.P. - MR. DERRICK GRIFFIN

DEAR SIR(S);

* KITIMAT TO THIS DATE & TIME HAS STOOD SOLELY ON THEIR OWN AS A PORT VIRTUALLY DEVOID OF GOVERNMENT FUNDING OF ANY MARINE ACTIVITIES. (PR.RUPERT CAN NOT LAY STAKE TO THIS CLAIM WHATSOEVER)

* KITIMAT HAS MUCH STRONGER INHERENT TIES AND IS INEXTRICABLY LINKED WITH THE REGIONAL DISTRICTS OF KITIMAT-STIKINE, BULKLEY-NECHACKO & STIKINE UNINCORPORATED BY VIRTUE OF HWY # 37. THEIR RESOURCES, THEIR COMMUNITIES, THEIR SOCIO-ECONOMIC DESTINIES SHARE A COMMON FATE. (PR.RUPERT ONLY LOOKS OUTWARDS ON THE WORLD IN A NORTH-SOUTH AXIS RUNNING FROM VANCOUVER TO ALASKA, THEN AGAIN EASTWARDS TO OTTAWA PURELY IN SELF-INTEREST, RIFE WITH SELF-CENTERED EGOTISM)

* KITIMAT HAS A HIGHLY SKILLED DOCKSIDE & TIDE-WATER MANUFACTURING WORK FORCE, AMPLY BACKED-UP BY A VERY CAPABLE INDUSTRIAL CORE & TRADESMEN IN THE KITIMAT-TERRACE CORRIDOR. (PR.RUPERT HAS ONLY A HEAVILY UNIONIZED WATERFRONT CONGLOMERATE OF LOW TO MEDIUM SKILLED EMPLOYEES KEYED TO RAW RESOURCE DRIVEN EXPORTS)

* THE KITIMAT PORT DEVELOPMENT COUPLED TO THE BURGEONING TERRACE TRANSPORTATION HUB OF THE NORTHWEST, WITH QUANTUM GAINS IN TECHNICAL EXPERTISE IN MANY LEADING EDGE FIELDS ARE A TEAM WITH BOUNDLESS POTENTIAL TO REALIZE THE GOALS THEY HAVE SET FORTH TO TACKLE. (PR. RUPERT CONSISTENTLY FAILS TO DEMONSTRATE A SYNERGISM WITH ANY WOULD BE PLAYERS IN COMBINED REGIONAL GROWTH OUTSIDE & UNTO THEMSELVES)

* KITIMAT HAS DEMONSTRATED PROVEN MARKETABILITY OF NEW & VALUE-ADDED PROCESSING OF RESOURCES IN OUR SHIPMENTS OF ROLLED PAPER, LINERBORD & SAC-KRAFT, ALUMINUM SMELTING & FABRICATION OF ROLLED, EXTRUDED, WIRE/CABLE & CAST PRODUCTS, AND THE SYNTHESIS OF METHANOL & AMMONIA WITH THE SOON TO COME ON STREAM ENVIROFUEL ADDITIVE " MTBE ". THIS TREND WILL CONTINUE TO BUCK THE TIDE OF THE " HEWERS OF WOOD/DRAWERS OF WATER " SYNDROME ALL TO PREVALENT IN OTHER B.C.COAST PORTS. IN THIS DIRECTION WE HAVE & WILL CONTINUE TO CREATE MORE LOCAL MAN-HOURS OF EMPLOYMENT & MORE NET BENEFITS PER TON OF GOODS ACROSS OUR DOOKS TO YEILD THE SUSTAINABLE ECONOMY SO VITAL TO THE PROSPERITY OF FUTURE GENERATIONS WHOSE WELL BEING IS DEPENDANT ON THE FORESIGHT SHOWN BY THE MANAGERS OF OUR FINITE RESOURCES. (THIS FORWARD THINKING IS SADLY LACKING ABSOLUTELY IN PR.RUPERT)

* THE KITIMAT-TERRACE PORT COMMITTEE & OUR GRASSROOT SUPPORTERS ARE POISED TO EMBARK ON AN EXPANSIONARY PHASE WHICH GRANTED WILL INTIALLY IMPART SOME LOSS TO FAIRVIEW TERMINAL. BUT, OUR PROPOSED TERMINAL HAS DESIGNS ON A CAREFULLY PLANNED, RESEARCHED CATCHEMENT OF TOTALLY NEW OPPURTUNITIES IN THE DECADES TO COME WHICH THE HIGH HORSES - THE PRINCES OF RUPERT BESEIGED IN THEIR MARSHY MUSKEG MENTALITY FAIL TO ENVISION - A CLASSIC EXAMPLE OF STAGNANT RETROGRESSION SPENT ON FUTILE & DERISIVE SCRAPPING ON THEIR PART.

* IF THERE WOULD BE ANYONE HERE WHO CAN STAND-UP AND SUGGEST THAT THE COMBINED REGIONAL DISTRICTS OF KITIMAT-STIKINE/ STIKINE UNINCORP./BULKLEY-NECHACKO/FRASER-FORT GEORGE/YUKON TERRITORY/PROVINCES OF ALTA & SASK. CANNOT PROVIDE SUFFICIENT HINTERLAND RESOURCES TO SUSTAIN PORTS IN PR. RUPERT, KITIMAT AND FOR THAT MATTER STEWART, BELLA COOLA, PORT SIMPSON,... THE/HE/SHE/THEM IS/ARE ABYSMALLY BLIND TO THE PATH WHICH CLEARLY LIES AHEAD. NO, WHAT IS NEEDED WITHOUT A SHADOW OF DOUBT IS FOR ALL NORTHWESTERS TO CLIMB ONBOARD & COOPERATE IN THIS ENDEAVOUR, NOT THIS DENIGRATION TO RIVAL FACTIONS, INCESSANT IN-FIGHTING WHICH IS THE EPITOME OF COUNTER-PRODUCTIVITY MIRING ALL FUTURE GROWTH PATTERNS FOR EVERYONE.

* TO THEIR OWN DEMISE PR.RUPERT HAS GONE THE ULTRA-CONVENTIONAL ROUTE WITH THE MEGA-BUCK EXPORTS OF OVER SURPLUSSED "BLUE-CHIP" RAW EXPORT COMMODITIES OF METALURGICAL COAL, COMMON GRAINS, BLEACHED PULP & ROUGH SAWN TIMBERS BACKED BY RAMPANT INJECTIONS OF FED/PROV. CAPITAL DOLED OUT BY A BIG TIME PORT CORP. BUREAUCRACY - A CASE OF " TERMINAL ILLNESS " WHICH SHOULD BE QUARRANTINED & NO MANNER EVER REPEATED AGAIN.

* KITIMAT-TERRACE PORT WILL BECOME REALITY WITH OR WITHOUT PR.RUPERT'S SUPPORT BECAUSE OF THE DETERMINATION & INGENUITY OF THEIR BACKERS, BECAUSE WE WILL CONTINUE TO DIFFERENTIATE OUR OWN MARKET NICHES, BECAUSE CERTAIN SHIPPERS CANNOT IGNORE THE OBVIOUS COMPETETIVE ADVANTAGES, BECAUSE WE WILL PIONEER NEW MANAGEMENT & LABOR INTERELATIONS AND FINALLY BECAUSE WE HAVE A KEEN EYE TO THE FUTURE FOR ECOLOGICALLY COMPATIBLE & SUSTAINABLE DEVELOPMENT.

Gary J Bloomer F.I.C.S., A.M.N.I.

PRM RESOURCES LTD.
#502 - 455 Granville Street
Vancouver, British Columbia
Canada V6C 1V2

Telephone (604) 683-7339 Facsimile (604) 662-8995

DISTRICT OF KITIMAT
RECEIVED
APR 11 1991
Manager
FILE

April 8, 1991

Mr. Jim L. Gustafson
Municipal Manager
District of Kitimat
270 City Centre
Kitimat, B.C.
V8C 2H7

K-Port #108

Dear Mr. Gustafson:

RE: Kitimat - Terrace Port Proposal

I am writing in reply to your letter of March 26, 1991, seeking a letter in support for the port project, which I am more than happy to provide.

PRM Resources Ltd. is proceeding with plans leading first, to a feasibility study of, and permitting for, a world scale integrated copper smelter and refinery complex in Kitimat. Whether or not the bulk of our copper concentrate comes to the smelter by rail, which we doubt, it is clear that the value of a modern port facility for our use will be great. Much of the concentrate - even from B.C., will likely come by water, as will the silica flux needed for smelting. Undoubtedly, the refined copper, the sulphur by-products, and the slag will also be shipped out by water. Thus, the port facility is an extremely important part of our project, and it would be helpful to know, before we make a final decision on feasibility - probably by mid 1992 - that a modern port facility was committed.

I should add that a fundamental reason for choosing Kitimat as a site is its tidewater location, and the expectation that a port facility would be built within the next few years.

Yours sincerely,

PRM RESOURCES LTD.

Roger Taylor

Roger P. Taylor,
President

/dh

ECONOMIC DEVELOPMENT ADVISORY COMMISSION OF KITIMAT

K-Port #109

April 8, 1991

Ministry of Regional and Economic Development
712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Mr. Derek Griffin
M.P.R.P. Coordinator

RE: **KITIMAT-TERRACE PUBLIC MARINE TERMINAL**

On behalf of the Kitimat Economic Development Advisory Commission, I would like to tender our unanimous support for the proposed Public Marine Terminal. Our commission, and others in the past, have long felt that a public terminal is not only overdue but absolutely vital for the future development of our community.

There are many logical reasons why this facility must be built in Kitimat:

1. **Common sense.** Kitimat has the backup land to allow future development that would emanate from a public port. This will lead to even greater economic activity in the North West.

2. **The key to our future.** Kitimat port development, railway upgrade and public access for shippers and developers are intimately linked together. A public port is the cornerstone to our future development.

3. **Growth of the Pacific Northwest.** In spite of honest concerns from Prince Rupert residents, we firmly believe that there is room in Northern B.C. for two port communities. We must think in the long term and resolve our internal differences.

4. **Community Desire.** If there is an issue on which Kitimat residents agree, it is their desire for a public port facility.

Our commission would like to offer any help you may need. We support the MPRP process and feel that this public input is crucial in bringing a Public Marine Terminal to reality in Kitimat.

R. E. Ivison
Chairman, Kitimat Economic Development Advisory Commission

270 City Centre, Kitimat, B. C. Canada V8C 2H7 Phone (604) 632-2161 Fax (604) 632-4995

01-9122
P-07-9003

Terrace & District Chamber Of Commerce

P.O. Box 107, Terrace
British Columbia
Canada V8G 4A2

(604) 635-2063

BUSINESS INFO CENTRE

K-Port #110

RECEIVED
APR - 9 1991
CITY OF TERRACE
by

April 8, 1991.

Kitimat-Terrace Port Society,
c/o Mr. Bob Hallsor,
Clerk Administrator,
City of Terrace,
3215 Eby Street,
Terrace, B.C. V8G 2X8

Dear Sir:

Being strategically located at the hub of British Columbia's Pacific Northwest, the City of Terrace has naturally evolved into a regional trade and service centre. Encouraged by the Terrace & District Chamber of Commerce and its members, Terrace has developed into a community that welcomes growth and fosters the entrepreneurial spirit. The Terrace Chamber recognizes that in order for Terrace to achieve further growth and commercial development, transportation becomes the fundamental component in the economic development equation.

The 'Terrace Tourism & Economic Development Strategy' report of January 1990, identified as primary interest to the Terrace area such transportation issues as airport development, roadway improvements, port expansion and development at Kitimat and maintenance of railway facilities.

As a major step towards addressing these issues and allowing Terrace to achieve its full economic potential, the Terrace & District Chamber of Commerce heartily supports the Kitimat-Terrace Port Society's proposal for a public marine terminal at Kitimat.

Respectfully yours,

Gerry Martin,
Government Liaison

Ralph G. M. Sultan
7165 Rockland Wynd
West Vancouver, B.C. V7W 2L2

Director
Curragh Resources Inc.

Telephone (604) 921-6002
Fax (604) 921-6009

BY FAX AND COURIER

K-Port #111

April 11, 1991

Jim Gustafson
Municipal Manager
District of Kitimat
270 City Centre
Kitimat, British Columbia
Canada V8C 2H7

Re: Kitimat-Terrace Port Proposal

Dear Jim:

On behalf of Curragh Resources, I am pleased to submit this letter of support for the Kitimat-Terrace Port Proposal, as a supplement to the oral presentation made by myself on behalf of Curragh at the public meeting in Kitimat.

Curragh Resources is a Canadian-controlled lead-zinc-coal mining company with major mines in Yukon and Nova Scotia, and a large new mining project ("Stronsay") in Northeastern British Columbia which will be in production in the fall of 1992. Curragh has approximately 550 employees and is listed on the New York and Toronto stock exchanges, and includes among its shareholders such international companies as Mitsui, Boliden of Sweden, and ADZ of Spain. Our most recent annual report is attached.

For the past six months, Curragh has been surveying the port situation with respect to shipping mine concentrates to Europe and Asia from British Columbia. We have not yet determined the final British Columbia port through which the approximately 270,000 metric tonnes (wet) of concentrate from Stronsay will be shipped.

The approximately 550,000 metric tonnes of concentrate from our Yukon mines is shipped through Skagway, Alaska, an environmentally sensitive tourist town where we are proud to have created an essentially "zero discharge" environmentally clean operation which has received the commendation of the U.S. Environmental Protection Agency, the Occupational Safety and Health Administration, and the public health authorities of the State of Alaska, as well as Town officials. Learning from our successful Alaskan experience, we intend to operate a similarly clean operation at our British Columbia Port.

I believe the relevance of our Skagway experience for Kitimat-Terrace is that these two communities should be assured that mine concentrates can be shipped through environmentally sensitive areas

without adverse environmental impact.

Over the past six months, Curragh has examined the port alternatives available to it in considerable detail. Without getting into the pros and cons of each port alternative we can offer the following general comments in support of Kitimat-Terrace Port.

1. **British Columbia needs a second major port outlet for mine concentrates.** The mining industry, particularly base metals, continues to expand. The Inner Harbour of Vancouver is essentially operating at capacity. Recent policy statements suggest that future bulk commodity handling will be moved to the coal terminal at Roberts Bank but these facilities are not yet developed. If that is to be Vancouver's future commodity handling terminal, there are interchange inconveniences to B.C. Rail users because of the layout of the rail lines in the area. All of this suggests that mine concentrates originating in Northern British Columbia, will tend to look for another port facility elsewhere.

2. **Kitimat-Terrace offers the over-riding management advantage of the proposed local port authority.** This offers the potential of responsiveness to user needs when compared with dealing with more remotely controlled agencies elsewhere.

3. **Kitimat-Terrace does not at present have a mine concentrate loading operation and can therefore do it "right".** This has two dimensions: labour practices and environmental practices. On the first point, Curragh is not enthusiastic about the labour practices at certain ports and senses that community and labour attitudes at Kitimat would be more responsible. On the second point, Curragh, having previously inherited a "messy" terminal operation with considerable financial liability created by a previous operator at Skagway, is sensitive to the problem of entering into arrangements at ports which are not up the Curragh environmental standard and practices. Accordingly, the opportunity to create "from scratch" an environmentally clean operation, with cost-effective labour practices, at Kitimat-Terrace, has considerable appeal.

4. **Kitimat-Terrace has already accomplished a great deal in preparing the port design, environmental review, geotechnical survey, and other necessary work required before an expanded terminal operation can be commenced.** In Curragh's estimation the work performed and the studies presented are of excellent professional calibre. They go a long way toward answering questions inevitably raised about any new port proposal. We commend Kitimat and Terrace for its excellent and comprehensive proposal.

5. For shippers of mine concentrate from Northern British Columbia, there is a slight mileage advantage in going to Kitimat in comparison with Prince Rupert.

6. Volume potential is considerable. We judge that as much as one million metric tonnes per year of mine concentrates may be up "for grabs" in the years ahead. That concentrate could go through Kitimat-Terrace. We believe that the Price Waterhouse report, an otherwise excellent tonnage forecast, under-estimated this source of business.

Curragh recognizes that there are some obstacles yet to overcome, in particular the need for Canadian National Railway to upgrade the load capacity of bridges on the Kitimat-Terrace line. We are assured that such an upgrade will be forthcoming.

There is also, in our own particular case, the problem of timing. We intend, aggressively, to be in operation in the fall of 1992 which may not coincide with the start-up of any Kitimat-Terrace operation.

Regardless of which port Curragh ultimately selects, we believe that our experience, our attitudes, and our needs are parallel that of many other mining companies in northern British Columbia seeking a second mine concentrate outlet. All of this augurs well for Kitimat-Terrace in its port planning.

Curragh Resources Inc. supports Kitimat-Terrace in its plan to develop the port of Kitimat. Your project is well-conceived. Your port proposal would be good for British Columbia, good for the citizens of Kitimat-Terrace, and not incidentally, good for the minihg industry.

Yours very truly,

Curragh Resources Inc.
Ralph G. M. Sultan
Director

Ready-Mix
Concrete Products
Cement, Grouts, Etc.
Sand & Gravel
Rebar

Glacier Concrete Ltd.

P.O. Box 379,
Kitimat, B.C. V8C 2G8

Telephone: 632-7145
Fax: 632-3710

K-Port #112

April 11, 1991

Kitimat - Terrace Marine Port Proposal
c/o Mr. J. Gustafson
District Of Kitimat
270 City Centre
Kitimat, B.C.
V8C 2H7

APR 19

DISTRICT OF KITIMAT
RECEIVED
APR 12 1991
Manager

Dear Sir:

Re: Kitimat - Terrace Marine Port Proposal

As part of the public response to the above Port Proposal, we wish to go on record as being whole - hearted supporters of the proposal.

Western Canada is a resource - driven economy which depends substantially on exports. These exports must be internationally competitive to be viable. The two significant costs in international trade are production costs and freight or delivery costs. In the resource sector, Canada's production costs are very competitive. However, due to the long distances products for export must be transported, Western Canada's freight costs are high. This weighs against the success of our products in the export market.

The proposed Kitimat port development shortens the land haul to tidewater and should lower costs to the exporter. However, it is only one part of the equation - the other being a shortening of the highway route to the east.

If we look to California or the U.S. Eastern Seaboard,we find Interstate Highways, particularly in a north - south direction, that are arrow - straight, multi - lane, and limited access. Trucks by the thousands move commerce in an extremely efficient manner. Mountains or rivers are crossed without a reduction in speed.

Contrast this with the highway from Prince George to Terrace. This follows a route laid out 80 years ago by railroaders who had to stick to valley bottoms regardless of the distance because trains cannot climb hills. The distance, at present is 345 miles. Prince Rupert is some 90 miles further. Kitimat is 35 miles from Terrace.

By simply building a highway directly from Telkwa to Terrace, a distance of some 65 miles, some 60 miles would be cut from the present trucking distance.

If a highway were built from Houston to Kitimat (through somewhat more difficult terrain), the distance from Prince George to Kitimat tidewater would be reduced to 305 miles.

.....2

At present, the products from three Prince George pulp mills plus several sawmills go 500 miles, mainly by rail, to Vancouver's congested port. A viable alternative lies only 315 miles away at Kitimat if proper planning goes into port and highway construction.

It is recognized that truck shipment is generally the most economically viable for distances up to 500 miles. For distances over 800 miles, rail traffic is generally most economic. Thus, a Kitimat port less than 500 miles from Prince George would generally find a major portion of its traffic coming by truck. As well, forest products firms in Prince George would likely ship through Kitimat as well as through Vancouver.

The history of Western Canadian commerce has reflected an ever - rising tonnage of exports. This is likely to continue. If we are to effectively create a growing economy with well - paid citizens, we must improve the infrastructure more aggressively than in the past. Therefore, a Kitimat port development together with bold highway planning should be high - priority items on the agenda of Government.

Yours truly,

GLACIER CONCRETE LTD.

N.D. MacRitchie

N.D. MacRitchie P. Eng.

President

/djm

K-Port #113

12 April 1991
111 Starling St.
Kitimat, BC
V8C 1K4

APR 19 1991

DISTRICT OF KITIMAT
RECEIVED
APR 12 1991
FILE

Kitimat-Terrace Port Society
c/o Mr. Jim Gustafson
District of Kitimat
270 City Centre
Kitimat, BC
V8C 2H7

Dear Sir:

The Kitimat Rod and Gun Association and the Kitimat Sports Fishing Advisory Committee jointly submit their concerns over the Port Development Plan as outlined in the Prospectus. Both groups share the same concerns and address only those concerns within their specific field of interest. Those concerns are:

1. Directly north of the proposed site (identified as the West Delta) Anderson and Moore Creeks have their specific estuaries.

   We are concerned that in the future siltation may fill the gap between the causeway and the foreshore. Please note that the extreme northeast corner of the proposed site is very close to a "spit like" bar extending from the west side of the Kitimat River mouth. This is very apparent when viewed in the aerial photograph (figure 5.1).

2. The potential of the main Kitimat River mouth to swing to the east requires further study as to potential effects. Due to the highly unstable nature of the river upstream, unanticipated siltation is likely to occur.

3. We would like clarification and the rational to construct the marsh area in Minette Bay rather than closer to the Kitimat River mouth.

4. After studying the salmon escapement history (figures from table 3.1 - 3.2) we wonder why they stop at 1988. These figures do not accurately reflect the impact of full hatchery production and the dramatic increase in Chinook and Coho salmon escapements. It has been suggested that presenting data ending in 1988 makes the Kitimat River appear as a "minor player", when in fact it is a very major producer now and possibly much higher in the future.

   We suggest this oversight be addressed.

.../2

5. Sportsmen request serious consideration be given to providing access in perpetuity to the foreshore and delta areas. This would likely require allowance for parking.

6. We believe an opportunity exists for more than simple replacement of habitat. The port developers have the opportunity to show leadership and their sincere concern for the environment.

   Take the position that this project can improve the net productivity of the estuary through increasing the allowance for inter-tidal marsh and whatever reasonable steps are deemed desirable after comprehensive biological study (by appropriate bodies such as the Department of Fisheries and Oceans, Ministry of Environment, etc.).

   Funding need not be entirely carried by the developers as net improvement over existing habitat lies in the interest of the public domain and should qualify for Federal and Provincial funding through the Department of Fisheries and Oceans and the Ministry of Environment. It is felt that coordinated efforts could be cost effective to all parties.

   We are of the view that it is arrogant to attempt to greatly improve on nature and mitigation must be studied with extreme care. However, let us not pass by or overlook opportunities which could make Kitimat a model for industrial development everywhere.

7. Considering the size, proximity and minimal flushing current, even one minor oil or toxic spill is perceived to be capable of destroying this sensitive and fragile eco-system. We wonder about the feasibility of a coordinated emergency response team approach. This should include all responsible groups (Alcan, Eurocan, Ocelot, etc.).

   Every possible provision must be taken to prevent spills and probably an independent panel should be formed to view and criticize your proposals.

We thank you for the opportunity to express our views and concerns. We await your reply.

Yours truly,

Brian R. Kean
on behalf of: Kitimat Rod and Gun Association
Kitimat Sports Fishing Advisory Committee
(a sub-committee of the Sports Fishing Advisory Board)

BANDSTRA ...SINCE 1955
TRANSPORTATION
SYSTEMS LTD.

MEMBER OF

K-Port #114

RECEIVED
APR 1 8 1991
CITY OF TERRACE
by

April 16, 1991

Kitimat - Terrace Port Society
C/O Mr. Bob Hallsor
Clerk Administrator
City of Terrace
3215 Eby Street
Terrace, B.C.
V8G 2X8

Dear Sir:

In regards to the Kitimat - Terrace Port Society's proposal for a Public Marine Terminal at Kitimat, B.C., Bandstra Transportation Systems Ltd. fully supports this proposal enabling this area to achieve further growth and commercial development.

Yours truly,

J. Turner

J.(Stan) Turner
Bandstra Transportation
Terrace, B.C.

K-Port #115

521 Cassiar Avenue
Prince Rupert, B.C.
V8J 3Z4

17 April 1991

RECEIVED
APR 19 1991
038

Major Project Review Panel
c/o City of Prince Rupert
424 Third Avenue West
Prince Rupert, B.C.
V8J 1L7

Dear Sirs:

Subject: Proposed Port - Kitimat

Remember the question once asked (rightfully so!) of the NDP government regarding I.C.B.C? It was "if I.C.B.C. is so great, why is it a monopoly?". I would ask: if this proposed port is "so great" why the hurry to railroad the process through? Why wouldn't everyone be glad to review thoroughly, substantiate, document, and be open in order to convince everyone in the North it is right?

I am totally opposed to the building of a second port within the same economic zone as Prince Rupert. The Port of Prince Rupert is not yet used to its full capacity - to invest millions of dollars in another would be foolish business.

My primary request would be that the idea of a government funded port in Kitimat be shelved. Not only is it inappropriate to build another, it is also inappropriate that it will be government funded.

My secondary request would be that the Major Project review go through many steps without haste, that a public hearing be held in Prince Rupert, that the steering committee requests a feasibility study on the findings, and that an independent body audit the entire process so one arm of the government is not approving another.

Sincerely,

Sue Russell (Mrs.)

Canada Ports Corporation
Société canadienne des ports

99 Metcalfe Street
Ottawa, Ontario
K1A 0N6
(613) 957-6794

99, rue Metcalfe
Ottawa (Ontario)
K1A 0N6
Fax (613) 996-9393

Chairman of the Board
Président du conseil

K-Port #116

April 24, 1991

Major Project Review Process
Attn. Mr. Derrick Griffin
Coordinator
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Sir:

Subject: Major Project Review Process, Kitimat Marine Terminal

I would like to express the deep concern of the Canada Ports Corporation to the proposed "Kitimat Marine Terminal development" as outlined in volumes I & II of the Prospectus documents attached to your letter of March 4, 1991.

I am in receipt of the submission to the Major Project Review Process by the Prince Rupert Port Corporation, concerning this subject, and support their position.

British Columbia conveyed to Canada the property required to make Prince Rupert a national harbour. Since then the Fairview general cargo and forest products terminal and Ridley Island coal and grain terminals have been constructed.

During discussions concerning the B.C. Ports Policy certain elements were found to be significant and required to be part of the basis upon which to build an efficient and responsive ports system. These elements supported the premise that viable ports generate significant employment and are crucial components of economic activity. However, to ensure the financial self-sufficiency of a port system there has to be orderly planning and timely development of ports within the context of a region, paying due regard to the availability of sufficient cargoes to guarantee the region's facilities and the overall transportation system's ability to support the new infrastructure when it comes on stream without detracting from services in place. Also, potential negative effects, such as diversion of traffic between ports must be fully taken into account.

.../2

The Prospectus documents generally brush over elements found to be of major significant impact during discussions to determine a base for a B.C. Port Policy. The following matters are addressed in a very superficial manner and need more indepth study: the need, at this time, for additional port facilities to service the requirements of industry in this region; the adverse impact of general cargo diversion from Prince Rupert during very difficult and uncertain world coal and grain market expectations; the impact of a harbour facility, projected to require considerable continuous Provincial financing well beyond the year 2010 on new development and the availability of social project funding to the region.

One other aspect of this project that I would suggest requires consideration, is its impact on a sustainable marine environment. I am informed the proposed harbour is ninety miles from the sea at the head of a fjord, rich in marine life. The impact of a marine accident or pollution incident upon this area requires in depth consideration, as a result of the projected additional vessel traffic using the fjord.

I regret to inform you that I have been made aware that some major elements of the consultant's report appear to have been inadvertently left out of the Prospectus. I would appreciate your assurance that all information presently available to the Port Society, concerning this project, has been or will be, available for public review and comment prior to a decision being taken.

Sufficient information was not provided, in the Prospectus, to permit one to fully grasp how detrimental this project will be to the region, if undertaken at this time. However, the information did permit one to understand the amount of investigative work that must still be undertaken to arrive at a conclusion, to satisfy the fundamental objectives of the Port Policy discussed, concerning the appropriate scheduling of this project to impact positively upon the region. Information provided by my staff indicates it may be appropriate to come on stream in the year 2015.

A. R. Huntington

K-Port 117

DAN MILLER, M.L.A.
(PRINCE RUPERT)
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LEGISLATIVE ASSEMBLY
PROVINCE OF BRITISH COLUMBIA

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RECEIVED
APR 23 1991

SUBMISSION

TO

MAJOR PROJECT REVIEW PROCESS

BY

DAN MILLER, MLA
(Prince Rupert)

RE: KITIMAT PORT DEVELOPMENT

DAN MILLER, M.L.A.
(PRINCE RUPERT)
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0685F-1

April 18, 1991

Mr. Frank Blassetti and Mr. Doug Dryden,
Co-Chairmen,
Major Project Review Process,
Ministries of Regional and Economic Development and
Environemnt,
3rd Floor, 777 Broughton Street,
Victoria, B.C.
V8V 1X4

Dear Sirs,

Re: Proposed Kitimat Port Development

I list for your consideration, my objections to this proposal, which is a waste of taxpayers' money, and which would have a severe negative consequence on the economy of the northwest coastal and interior region.

At the outset, I would like to repeat the contention I made at the public meeting in Prince Rupert on April 9, 1991, that the Major Project Review Process (M.P.R.P.) is restricted in its ability to analyze this proposal on its economic merits.

This proposal is very clearly supported and, in fact, initiated by the provincial government. It is politically, rather than economically, inspired and has been publicly endorsed by the former Premier, the current Premier, the Minister of Crown lands and MLA for Kitimat, the former Minister of Regional and Economic Development, and the Cabinet Committee on Sustainable Development, as well as the full Cabinet.

The Kitimat-Terrace Port Committee, chaired by Mr. Parker, has received all of their funding, a reported $400,000, from the Ministry of Regional and Economic Development, which is co-chair of the M.P.R.P.

Although the M.P.R.P. guidelines call for the Steering Committee to request a financial feasibility analysis prior to government assistance, or publicly financed infrastructure being committed, this has not been done despite the fact that the proposal, in addition to the $400,000, calls for a government expenditure which, in my view, approaches $50 million.

../2

Recognizing this clear dilemma faced by the M.P.R.P., I nonetheless offer the following points (not ranked in order of importance).

1. Having followed government activities in transportation planning since 1986, I find that this proposal is inconsistent with the government's own studies.

(a) A Transportation Planning Overview for the Province of British Columbia is a major 18 volume study by Delcan, which was the basis for transportation planning in this province, as announced by the Premier and Minister of Transportation and Highways on November 29, 1988. On pages 6 - 7, Volume 3, "A Provincial Overview", it is suggested that any participatory role (for the Province) should be confined to the Gateway Ports of the Vancouver area and Prince Rupert.

(b) Using the Delcan study as a base, the government announced their Freedom to Move transportation plan for British Columbia. The most prominent feature of this policy was the establishment of regional transportation task forces to assess and prioritize the transportation needs of their regions. I would draw the M.P.R.P.'s attention to a document entitled: "Minister of State, North Coast Region, A Framework for Consensus". The North Coast, Region 6, Transportation Committee Recommendations list projects in order of importance under a primary rating, a secondary rating, and other projects. Development of Port facilities at Kitimat received a secondary rating.

(c) The culmination of this lengthy and costly transportation planning exercise was the publication of "Transportation in the 90s", which in the case of Region 6, referred to the ability to expand existing port facilities. In this respect, the report was consistent with the recommendation by Delcan referred to in (a) of this submission.

2. All relevant documents and studies undertaken by the Kitimat-Terrace Port Commission and/or the Ministry of Regional and Economic Development which were paid for by the provincial government have not been made public.

3. The Sandwell Study is seriously flawed in its assumptions of cargo forecasts:

(a) Sandwell assumes that the proposed Orenda will proceed and that 100% of its production will go through Kitimat.
Given that Orenda has yet to proceed through the M.P.R.P., and that financing remains a critical question, it is difficult to justify the assumption that the mill will be built.

As well, Orenda, in their prospectus and in written commitments to the District of Stewart, has stated that approximately 50% of their production would be shipped out of the Port of Stewart, with the rest being trucked to railhead at Kitwanga for delivery east or south.

4. Although the Fairview Terminal recently underwent a $38 million expansion in anticipation of increased lumber shipments, revised forecasts by the Port of Prince Rupert indicates a very flat growth in lumber exports. Currently operating at 40% capacity, the Port of Prince Rupert can handle all foreseeable lumber shipments.

5. If Kitimat is developed according to the proposal, they will take approximately one-half of Fairview's current lumber shipments, creating a situation of two publicly financed ports with insufficient cargo.

6. The Kitimat port proposal is extremely poor; in fact, the worst example of public expenditure policy I have ever heard of. Using public funds to undercut the economic viability of an existing publicly-funded business is sheer lunacy, and a beggar-thy-neighbour policy.

.../4

7. The net result, if the Kitimat proposal proceeds, is that a massive amount of public funds will be used to transfer jobs from one community to another in the same region.
If $50 million is the eventual cost to the B.C. taxpayer, the government would be spending in excess of $1 million per job for this transfer.

8. The proposed loss of 40 longshore jobs from Prince Rupert will severely impair the efficient operation of the Rupert port in that less gangs can be mounted for peak demand, creating slower loading and possible ship delays.

9. Unlike Prince Rupert, Kitimat has no natural harbour, and limited anchorage. In an ironic note, the Sandwell study points out that the nearest safe anchorage for ships awaiting loading at Kitimat is Prince Rupert.

10. Although I am not personally qualified to assess the environmental impact, in discussions I have had with people in the fishing industry, they have expressed fears about the impact this proposal has on fisheries habitat.

11. From a regional viewpoint, a much more modest port development at Stewart would greatly assist in stabilizing that community's economic base and would contribute to the development of solid wood processing versus the current round log export.

12. Although a massive public expenditure on infrastructure is being proposed, it is apparent that no private investor has been secured to actually build and operate the docking facilities at Kitimat.

There are many other points that require examination and analysis and, no doubt, other submissions will cover points that I have missed.

Yours very truly,

Dan Miller

Dan Miller, MLA
Prince Rupert

DM/af

K-PORT 118

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
Larri Latkowski	85 Mallard St.
Marion Kraft	"
Craig Best	#12-30 Clifford St.
Greg Vowles	66 Clifford
D. Johnson	#129 1691 Haisla Blvd.
P. L. Solyse	41 STIKINE.
[illegible] Bar	1251-70- Haisla Kitimat B.C.
A Pugoni	88 CURRIE ST. Kitimat BC
A Michalla	1304 Tweedsmuir, Kitimat BC
[illegible] Barry	30 Wren St Kitimat
Lamone Knoll	
[illegible]	18 SKEENA ST. KITIMAT BC.
Peter Wojnarowski	403-34 KANYAY ST. KITIMAT
K. A. Waketo	15 Morgan St. Kitimat
L. KENNY	102 ANDERSON ST KITIMAT
L. King	28 Gander Crescent, Kitimat B.C
Carol Ballantyne	7 Swallow St Kitimat
Peggy Bare	4-40 Petrel - Kitimat, B.C.
Carol Dale	59 Eagle - Kitimat
Marty Wu	72 Moore - Kitimat, B.C.
Marlene Sterling	702 # 221 Kuldo
Paul Tavenas	45 Clifford st Kitimat B.C.
Cathy Knoll	95 Lillooet Kitimat BC.
Steve Watson	21 Stein St. Pr. RUPERT
Shona Lee	
Diana Papato	2 Driftwood St. Kitimat
R Marlene	Graham ave Terrace
Patrick Lafferty	100 SKEENA ST KITIMAT
Joan Lubach	40 Gannet Kitimat
Diane Burton	7 Dunn St Kitimat
[illegible]	14 Charles St. Kitimat
Stephanie Karger	73 Braun St Kitimat
Sophia Tyburky	44 Osprey
Lucille LaFrance	40 Partridge Kitimat

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
[illegible]	23 Quail Kitimat B.C.
[illegible]	1310 ALBATROSS, KITIMAT, B.C.
Jerri Glass	41 Brant Kitimat BC
[illegible]	39 Pintail Kitimat BC
[illegible] Brisebois	2801 Kenney St., Terrace BC
[illegible]	4 Capilano St Kitimat B.C.
M. Bolst	#3 1050 nalabila Kitimat B.C.
Marlene Haldane	J-67 V.U. Kitimat
Cindy Lloyd	275-0724 Kuldo Kitimat B.C.
[illegible]	42 Lillooet St Kitimat BC
Anna Plewis	1301-24 BANYAY. KITIMAT
Irene Sousa	36 Bittern St. Kitimat
Gwen Murphy	43 Saguenay Kitimat.
A. Mair	79 Ingle St Kitimat
M. Bovingdon	60 STEIN KITIMAT
Gary Paulson	73 WREN KITIMAT
Alix Johannson	62 Coho Kitimat
Celia Firmino	53 Skeena Kitimat
Stan Galary	25 Swannell Kitimat B.C.
Heather Stirling	1449 Cormorant Ave Kitimat BC
[illegible]	117 Babine St Kitimat, BC
[illegible]	47 DUNN ST KITIMAT
[illegible]	19 Dease St Kitimat
Marci Yelko	19 Dease St Kitimat B.C.
Seppala	20 Bulkley St Kitimat
Harvey King	48 SWALLOW ST. Kitimat
[illegible]	58 OSPRE ST Kitimat
[illegible]	" " " "
Wendy Aiken	350 Quatino #207 Kitimat
C. Bruhn	45 Starling St. Kitimat
J. Schrader	5 Caswell St.
[illegible]	2 Kechika Kitimat
Alfie Pollot	93 CAPILANO KITIMAT.
Marc Bolst	#3-1050 nalabila Kitimat

K-PORT 119

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
Jeanne Lee	52 Sturgeon Street,	Kitimat
[illegible] Berrisford	68 Stein Street.	Kitimat
Z. Tricely	67 YUKON Street	Kitimat
[illegible] (T.L. MENDHAM)	80 KECHINA	KITIMAT.
Jeanne Howler	12 Margetts St	Kitimat
[illegible]	1259 TWEEDSMUIR	KITIMAT
M. [illegible]	10 Moore	Kitimat
[illegible]	83 Moore St	Kitimat.
[illegible]	80 Baxter St #307	Kitimat.
Mario [illegible]	1271 Haisla #77	Kitimat
[illegible] D'Amico	92 SABINE ST	KITIMAT
Edward K. Sager	58 Whittlesey St.	Kitimat
Ken Whittington	98 ANGLE ST	KITIMAT
[illegible]	1278 Albatross	Kitimat
[illegible]	1373 Albatross	Kitimat
Christine Roberts	49 BROWN	KITIMAT.
[illegible]	1451 Albatross	Kitimat
[illegible] Blackburn	47 Finch	Kitimat
[illegible]	60 STURGEON	Kitimat
Terri Olivier	109 Stikine St.	Kitimat
[illegible]	41 BITTERNST.	KITIMAT
[illegible]	6-1240 KINGFISHER	KITIMAT
[illegible] Will	91 MALIBUT	KITIMAT
Des Edwards	39 OERSTED	KITIMAT
Dorothy Nagel	45 Hallman	Kitimat
[illegible]	52 EGRET	KITIMAT
[illegible] Pence	22 Plover	Kitimat
D. Belleville	79 Fulmar	Kitimat
D. Godsell.	69 Angle St	KITIMAT
[illegible]	138 Whittlesey	Kitimat
[illegible]	36 Pintail	Kitimat
M. [illegible]	131 Sturgeon	Kitimat.
[illegible]	7 Pintail	Kitimat
W. Medeiros	6 Turney	Kitimat

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
Irlanda Gonzalez	34 Petrel Street Kitimat
Edmedeum	65 Oriole Kitimat
N B Guest	23 Chaalen Kitimat
JOSE M. PEREIRA	23 Egret ST Kitimat
[illegible]	110 Okanagan St Kitimat
[illegible]	95 Raley Kitimat
[illegible]	110 OKANAGAN ST KITIMAT, BC
[illegible]	78 Kootenay KITIMAT.
D Ringham	#159 1540 Albatross Kitimat
David Croft	1240 Kingfisher, Kitimat
Romel Hatton	4 Gannet Kitimat
[illegible]	#2406-8 Banyay Kitimat, BC
[illegible]	110 Okanagan St Kitimat, BC
[illegible]	110 Okanagan St Kitimat BC
[illegible]	87 [illegible] St Kitimat BC
[illegible]	1619 [illegible] St. Kitimat BC.
K Hickman	71 Wetsecne ST. Kitimat, BC
T Hickman	174 [illegible] Kitimat BC
Cindy Schuss	6 Quail St. Kitimat BC
[illegible]	206.370 - QUATSINO. Kitimat

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
J. Roy Ferguson	21 Widgeon St Kitimat
Ruth Nitsche	126 Dogwood St Kitimat
Elizabeth Ocquoi	40 Okanagan St Kitimat.
Irene Boiland	187 Halibut St.
Isabel Ocquoi	#110-208 Baxter St
R. [illegible]	100 Sturgeon
K. Effantes	203-34 Banyay ST
Frances Blossey	85 Sunswell Kitimat.
M. Legal	54 Lillooet St.
A. Owen	6 STICKNEY ST.
[illegible]	40-185 Koniuss St.
Paula Milne	304-110 Baxter Kitimat.
F. Komaguyny	41 DEASE
[illegible] Kaiser	73 Braun St Kitimat
Paul Kaiser	" "
Stephane Kaiser	" "
A. M. Long	30 Starling St.
[illegible]	47 Turney St. " "
[illegible]	43 Kokanee Kitimat
[illegible]	32 [illegible] KITIMAT
Ann Vales	67 Mallard St Kitimat.
Paul Tavenor	45 Clifford St KITIMAT
[illegible]	95 Lillooets St Kitimat
Nelly Lamar	70 GREYLING, KITIMAT
Ed Kotzyluk	96 OMENICA KITIMAT
Gail Kotzyluk	" " "
Lorraine Ingalls	61 Teal Kitimat
Ned Boyd	33 Wohler St.
Lamar Pacheco	74 Lillooet Kitimat
Holly Gardiner	21 Grouse. Kitimat
Dana Hand	46 Morgan. Kitimat
Gary Shed	83 Swallow Kitimat
Walter Shed	83 Swallow. Kitimat
F. Marsh.	1433 ALBATROSS KITIMAT
A. Marsh	1433 Albatross Kitimat

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
Ed. Schrier	78 Yukon Kitimat.
Doug Wilson	30 CEHC "
CHRISTINA WARD	17-486 Quatsino Blvd
[illegible]	#28)-712 Kuldo Kitimat
[illegible]	40 Stein. St. Kitimat.
[illegible]	61 Hallman St Kitimat.
[illegible]	33 Smith St. Kitimat
[illegible]	31 PARTRIDGE KITIMAT
[illegible]	16 Teal street Kitimat B.C.
[illegible]	20 Teal St Kitimat, B.C.
[illegible]	Hwy 16 west 4042 TERRACE
[illegible]	GOLD JUDZENTIS " TERRACE
[illegible]	18 HERON Kitimat
B. E. KOKESCH	41 TEAL Kitimat
C. [illegible]	33 Teal St. Kitimat
Joanne Strechenuik	33 Teal St. Kitimat
[illegible]	24-WREN STREET KITIMAT
[illegible]	24-WREN KITIMAT
E. [illegible]	61 Zillooet Kitimat
SUE NAIR	15 STARLINE ST. KITIMAT
T. MERKO	57 SWAN ST KITIMAT.
P. A. [illegible]	120 Sequoney Kitimat.
[illegible]	112 Stikine Kitimat
[illegible]	44 SKEENA ST. KITIMAT
[illegible]	5 YUKON ST. Kitimat, B.C.
[illegible]	75 Angle Kitimat BC.
[illegible]	1615 GYRFALCON. KITIMAT
Marg. Paulnier	Box 456 386 Haisla Blvd
Bruce Bennett	35 RALEN
Tim Jacuna	C4 Vista Village Kitimat
[illegible]	004. 1030 Kingfisher Kit.
Peg Martins	" " "
Paul [illegible]	1612 Haisla Kitimat
[illegible]	72 Stikine Kit

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
Maria G. Pires	9 Mallard st Kitimat B.C.
B. Kaberynuk	170 Buffaleox Kitimat B.C.
F. G. Gerrits	216-1600 Albatross. Kitimat B.C.
Fernando a Lots	111 Meldrum st Kitimat
Janet Kahoko	83 Finch Kitimat B.C.
Renee Cole	21 Flora Kitimat B.C.
Helen Murray	41 Duncan Kitimat BC
Dae Sung S.	#290-728 Kuldo Kitimat BC.
[illegible]	1215-70-Haisla Kitimat B.C.
R. Bergmann	801 Madill Kemano BC
G. Hamilton	37 Swannell Kitimat B.C
D. Anderson	Kawsatuli St Kemano BC
R. Rousell	710 Yeckelson Kemano BC
W. Urbanicki	44 Wohler KITIMAT, BC.
[illegible]	5012 PARIS TERRACE
[illegible]	616 Meldrum Kitimat
[illegible]	30 Ridley Kitimat
[illegible]	54 Nielsen Kitimat BC
Betty Jackman	370 Quatsino Kitimat BC
Allan Jackman	370 Quatsino Kitimat B.C.
Maria Tavares	105 Meldrum Kitimat B.C.
DARYLL JEAN	30 SWAN KITIMAT B.C.
Kim Campbell	206-350 Quatsino Kitimat BC.
A. Kosmiecki	49 Currie Str. Kitimat B.C.
Eva Mastiliak	68 Wren St. Kitimat B.C.
M. Mastiliak	68 Wren St. Kitimat B.C.
P. Cricci	13-20 Clifford KITIMAT B.C.
L. WILSON	17 Amos KITIMAT BC
J. Borriscale	83 Babine Kitimat B.C.
Carmen Duarte	2708 McLITOSH ST Terrace
[illegible]	— — — Terrace
[illegible]	653 Columbia Kitimat
M. SANOU	P.O. Box 281 Kitimat
M. Woodhouse	80 SASQUENAY Kitimat B.C.
D. Malony	25 Swannell Kitimat B.C

K-PORT 12C

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
S. Buehlen	81 Skeena	Kitimat, BC
L. Buehlen	81 Skeena	Kitimat, B.C.
M. Stewart	2-1035 Alexander	Kitimat. BC
Brock & Rody [illegible]	1651 Gyrfalcon Ave	Kitimat B.C.
DERRICK DOWNEY	47 MOORE	KITIMAT, B.C
[illegible]	1223 Tweedsmuir	KITIMAT. BC
[illegible]	53 CHILKO	KITIMAT BC
J ARNOLD	64 White	Kit
G.W. FERGUSON	26 YUKON	KITIMAT
GORDON MUIR	18-863 Lahakas	KITIMAT
Teresa Chernowski	4 Coho	Kitimat
L. Ault	4 Ochwe	Kitimat
G. Galbraith	868 Columbia	Kitimat
SHIRLEY DAYE	54 SMITH ST	KITIMAT BC
Caroline Maitland	31 Yukon St	Kitimat BC
Otilia Tavares	94 Kechika St.	Kitimat, B.C.
Luisa Moraria	61 Stein St	Kitimat, B.C
E. Florencio	44 Guyon St.	Kitimat. B.C.
Jeannette McEachern	99 Smith St.	Kitimat B.C.
K. Eyre	46 Angle St	Kitimat BC
J Edelmann	14 Stickney	Kitimat B.C.
K. Edelmann	14 Stickney	Kitimat BC.
S. Rahman	901 Columbia	Kitimat, B.C
Stephen Ong	19 Farrow	Kitimat
J. Martyres	19 Dunn St	Kitimat, B.C
Paula Milne	304-110 Baxter	Kitimat
A. Newton	105 Angle St.	Kitimat BC.
J Tabey	73 Dolly Varden	Kitimat. B.C
[illegible]	66 Whatley St	Kitimat BC
K Kelly	1365 Alnafinda	Kitimat.
Jackie Meeds	1119 Tweedsmuir	Kitimat BC.
[illegible]	147 Angle St.	Kitimat

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
UNA WILKIE	9-1084 Nalabila Blvd.	Kitimat
Andrea Reeves	80 Kootenay St	Kitimat
P. NORMAN	102 BRAUN ST.	KITIMAT
D McINDOE	110 KOOTENAY	KITIMAT.
Paula Reeves	40 Babine	Kitimat
Bonnie Cammann	131 Kootenay	Kitimat
MICHELE CHARTRAND		KITIMAT.
LILIA PACHECO	59 KOOTENAY ST.	KITIMAT
Kim Belanger	51 Saguenay St.	KITIMAT
[illegible]	1446 Nalabila	Kitimat
Jean Correda	132 Carswell St	Kitimat
Pat Bunnip	72 Baker	Kit.
J Matthews	64 Stein	Kitimat B.C.
Bellerine	130 Willis Crft	Kitimat B.C.
Pat Charles	4 Stein	Kitimat
Norman Rumoff	22B Partridge St.	Kitimat
Lynda Spawart	83 Boxton Ave	Kitimat B.C.
Nancy Gray	1347 Tweedsmuir.	Kitimat B.C.
Kevin Kay	92 Brown Street	Kitimat B.C.
Roberto Curless	60 Barthelmer	Kitimat B.C.
Niveria Oliveira	66 Saguenay St	Kitimat B.C.
Rusty Evans	64 Gannett St	Kitimat B.C.
Tracy Petley	100 Babine St	Kitimat B.C.
Jerry Andersen	68 Moore St	Kitimat, B.C.
Fazela Bacchus	#20 863 Lahakas.	Kitimat, B.C.
Schuikshank	1405-24 Banyay	Kitimat
R Wheeler	20-486 QUATSINO	KITIMAT BC
L Hammel	89 BABINE ST	KITIMAT B.C.
Sonya E Sanchez	1344 ALBATROSS AVE	KITIMAT, BC.
T. Ag[illegible]	44 ORIOLE ST	KITIMAT BC.
JOHN BUNN	81 CHILKO ST	KITIMAT
Karen Ferreira	21 Baker	Kitimat
Elizabeth Botz	20 L Wedeene.	Kitimat BC.

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS
Brenda Cormier	204-110 Baxter St
[illegible]	8 ANGLE ST.
KEN DEMIRIS	H37-653 W. COLUMBIA.
[illegible]	8 VREN
[illegible]	11 Widgeon St.
Dorothy Leuze	1611 Haisla #84
B. Keay	29 Saguenay Kitimat
[illegible]	133 Williscroft St. Kitimat.
Kathy Hand	109 110 - Baxter Kitimat
Dorothy Key	73 Braun St Kitimat
Paul Kaye	" "
Stephanie Kaye	" "
[illegible]	16 Egret St Kitimat
Theresa James	4 Capilano St.
[illegible]	32-1280 Kingfisher
Charlie Burrows	8-863 Alabakas.
Gerri Boguski	69 Kootenay St.
Anne Santos.	47 Saguenay St. Kitimat
[illegible] THORN	53 Chelko Kitimat
Richard Lavigne	708-231 - Kuldo
Doris Lindner	253 Rainbow
Allan Calsbury	21 DUNCAN, KIT.
[illegible] Gallant	67 Okanagan St Kitimat
[illegible] Schadow	126 Baxter Ave. Kitimat
[illegible]	52 Teal St
[illegible]	52 Whittlesey
[illegible]	1469 ALBATROSS
[illegible]	6 BUNTING ST
[illegible]	52 Ketlope St.
[illegible]	67 OKANAGAN St.
Gail Vernon	66 Oriole Street
[illegible]	1504 [illegible]
Gail McCall	80 Chelko
[illegible]	1240 [illegible]
G. Kruhoff	55-185 Kanigas St.

WE SUPPORT THE DEVELOPMENT OF THE KITIMAT-TERRACE PORT DEVELOPMENT

NAME	ADDRESS	
D. Butler	#1 Kechika	Kitimat B.C.
Valerie McCauley	27 Ochwe	Kitimat, B.C.
Christa Monto	19 Margetts	Kitimat, B.C.
Judy Stass	#8-240 Bangay	Kitimat B.C.
Andrew D. Berry RIBC	30-1425 Nalabila Blvd	Kitimat BC.
[illegible]	16 Onoka	Kitimat B.C.
[illegible]	16 Dunn	✓
L. MIRANDA	6-1064 Nalabila	Kitimat B.C.
Dalila Antunes	146 Smith St	Kitimat B.C
Sharon Habinger	SS #1 Comp 130	Kitimat B.C.
Natalie Gulden	63 Bartholomew	Kitimat BC
[illegible]	79 Kootenay	Kitimat BC
[illegible]	80 Swallow	Kitimat, B.C
[illegible] Lenesque	75 Lokanee	" "
[illegible] Mackenzie	#10-486 Quatsino	"
W.R. Fraser	16-1250 Kingfisher Ave.	Kitimat BC
Maxine Lundbek	81 Wren St	Kitimat B.C.
Sharifa Wong	133 Williscroft St.	Kitimat B.C.
HAIMA BUY	"	"
RON BURNETT	1516 ALBATROSS	KITIMAT BC
Wayne Lowry	4" Babine	" "

K-PORT 121

Skeena

May 7, 1991

RECEIVED
MAY 1 0 1991
CITY OF TERRACE
by

MAY 14 1991
747

Kitimat-Terrace Port Society
c/o Bob Hallsor
Clerk Administrator
City of Terrace
3215 Eby Street
Terrace, B.C.
V8G 2X8

Dear Sir:

Re: Kitimat-Terrace Port Society's Proposal For a Public Marine Terminal At Kitimat

Skeena Cellulose Inc. welcomes any new terminal infrastructure that will improve our competitive position in the world markets we serve.

Should such a facility become a viable economic reality and be able to reduce the ultimate delivered cost of our imported commodities, then we would naturally give serious consideration to supporting such a venture.

Yours truly,

John Birt

John Birt
Director, Purchasing/Transportation

JB/kh

SKEENA CELLULOSE INC. 2[illegible] Park Place, [illegible] Burrard Street, Vancouver, B.C. Canada V6C 2X8
Tel (604) 688 2225 Telex 04 [illegible] Fax (604) 688 0310

APPENDIX 4

Government Agency Comments

B.C. ENVIRONMENT
ENVIRONMENTAL ASSESSMENT BRANCH

Province of
British Columbia

Parliament Buildings
Victoria, B.C.
V8V 1X5

MEMORANDUM

TO: David Parsons
BC Environment Coordinator
MPRP

DATE: April 17/91

FILE: 65.449

Re: KITIMAT-TERRACE PORT PROSPECTUS REVIEW

Staff of the Ministry of Environment have reviewed the Prospectus of the Kitimat-Terrace Port Society, submitted to the Major Project Steering Committee on March 4, 1991. The following comments and discussion relate to the mandate and responsibilities of the Ministry of Environment under its various pieces of legislation including The Waste Management Act, The Environment and Land Use Act, and The Environment Management Act.

The Kitimat Estuary and Douglas Channel

British Columbia has a very limited amount of estuarine habitat; it being less than 1% of the total coastline. The Kitimat Estuary is the most significant estuary on the north coast of British Columbia, providing nurturing habitat for mammals, birds, fish and many other forms of plants and animals. There is no comparable estuarine habitat within Douglas Channel or the Kitimat Arm. Conditions of low salinity, warm temperatures, nutrient enrichment and protected exposure make this estuary unique along the northern coast.

Developments which have limited the productive capacity of the estuary include the city of Kitimat, the Alcan Aluminium smelter, The Eurocan Marine Terminal and the Ocelot Marine Terminal. These development pressures have reduced the size of the estuary and its overall carrying capacity.

Proposals for further development within this estuary must fully address the significance and ecological role that the Kitimat Estuary plays throughout the Northwest region of the Province. The proponent must show how development can be undertaken without impairing the capacity of the estuary to fulfill its biological function. The Prospectus of the Kitimat-Port Society was reviewed with this in mind.

Components of the Estuary

Components of the Kitimat Estuary function together to support major fisheries resources, bird populations and other estuarine animals and plants. The list of component parts includes a major inflow of fresh water, upland areas, intertidal marsh and mudflat,

subtidal sediments, channels and the marine receiving water. Energy from solar radiation and from winds, waves and tides contributes to the productive capacity of these components.

Working together, they provide the ecological requirements for sustaining an immense production of life which cannot be duplicated outside of an estuary. Animals and plants may rely on unique mixtures of these components for weeks or months each year or perhaps for only a few hours. Growth and survival of populations or individuals often depends on some aspect of estuarine ecology.

Scientists are able to carry out reasonably accurate impact assessments on most types of habitat. The complexity and richness of estuaries, however, makes assessment far more difficult. It is impossible to directly measure or predict many of the subtle impacts which may result in significant changes to the productivity of the estuary. Small changes in current flows, tidal action, wave exposure, mixing of freshwater, warming or cooling, sedimentation or production of organic detritus alter the formula for survival and growth of organisms.

Since it is difficult to measure these subtleties, researchers must instead utilize measures such as the loss of specific numbers of hectares of each type of habitat. It is also possible to enumerate the number of fish or birds that use an area.

Unfortunately this type of assessment does not truly measure the cumulative impact of a development. A more accurate analysis requires a comprehensive understanding of the underlying dynamics of the estuary and the interactions between the components described above. Removal of parts of the estuary from production can then be interpreted, as can effects of alterations to currents or nutrient input etc..

The prospectus presents a baseline inventory of the terrestrial and aquatic resources of the Kitimat Estuary and carries out a preliminary impact assessment. It also addresses opportunities for mitigation for habitat loss. Comprehensive impact assessment and mitigation planning will require a much deeper level of study and understanding.

Impact Assessment

The Ministry of Environment has reviewed the Impact Assessment provided in the Prospectus and submits the following comments regarding the various resources at risk.

a) Sediments

Metals, notably cadmium, fluoride ions, and priority pollutants including PAH compounds have been detected at levels of environmental concern in sediments of the Kitimat estuary. Dredging may release these compounds from the disturbed sediments. The sediment sampling program carried out by the proponent did not reflect the elevated levels found in previous studies. It is not clear whether the contaminated sediments have become buried or have had the

contaminants leached out. The Prospectus does not mention the depth of core sampling used in the latest survey. The Ministry of Environment cannot assess the risk of sediment contamination until this question is resolved.

b) Habitat Loss

Port development may cause a loss of 36 hectares of mudflat and 1.3 hectares of marsh habitat. The report does not interpret the effect of removal of this habitat on the species at risk but does recommend habitat compensation of 21.3 hectares of marsh in Minette Bay. Without knowing the effect of removing 36 hectares from the estuary, it is impossible to know what species or populations need replacement habitat or if indeed a marsh in Minette Bay will serve their requirements. Effectiveness of replacement habitat requires validation through field trials.

Further loss of marsh and mudflat habitat in the Kitimat Estuary concerns the Ministry of Environment, as do the unknown alterations to habitat in proximity to the dredged or filled area. The Prospectus correctly notes that changes will occur but, because of its preliminary nature, cannot be specific about the aerial extent of impact or the levels of impacts. A full understanding of the cumulative effect of habitat loss or alteration requires an intense estuarine investigation.

An increase of 25% in tidal flow and current velocities, predicted in the report, indicates that changes will occur in sedimentation patterns, in freshwater/saltwater mixing, in temperature regimes and in other physical and chemical patterns of the estuary. The report does not make a prediction on the type or size of effect these changes may have on biological resources. Substantial changes to the productivity of the estuary may result. Intensive, longterm, (two year) studies are required in order to make these predictions.

Further occlusion of the mouth of the estuary may change current patterns in Minette Bay, thus altering the character and function of the bay. Detailed assessment is required.

The Prospectus acknowledges that noise and traffic movement may reduce the effective use of the estuary by some species. The extent and duration of these disturbances and the resultant impacts requires further assessment.

c) Habitat Compensation

In most instances, habitat losses cannot be offset by replacement habitat. Although the proponent may create apparently similar habitat at a second location, there is no guarantee that animals will use it. In other words, ecosystems are hard to duplicate and few examples of unconditional success exist. Significant differences in temperature, salinity, currents, tidal action and exposure exist at the sites proposed in the Prospectus. The sheltered Minette Bay site is not the ecological equivalent of the more

exposed tidal marsh now used by fish, waterfowl and other organisms at the proposed port site. Existing records (BC Environment and the federal Department of Fisheries and Oceans (DFO)) show that herring, eulachon and all species of salmon as well as steelhead, use the waters of the Kitimat Estuary. This is not the case in Minette Bay.

The creation of only 18 hectares of habitat is not sufficient to replace the permanent loss of 18 to 25 hectares to filling, 9 to 18 hectares to dredging and a further 50 or more hectares to disturbance. A net loss of marine habitat results.

d) Impact to Douglas Channel

Kitimat has three marginal waiting anchorages which cannot be used in adverse wind conditions. One of these would be lost to the proposed dock. During adverse conditions, ships must seek anchorage near the mouth of Douglas Channel. Increased traffic to a port at Kitimat implies an increase in ships waiting at anchor with potential for cumulative waste discharges at those anchorage sites.

The impacts of additional ship traffic, illegal ballast tank washing and waste disposal at anchorage sites require assessment.

e) Impact of Port Corridor

The Ministry of Environment expresses concern for impacts associated with the corridor to the proposed Port. The Prospectus mentions a Ministry of Transportation and Highways study of the corridor which may contain further environmental impact assessment. This draft report was not available for review.

Figure 5.1, Volume 1 shows the access corridor impacting water courses. These impacts are related to stream crossings, infilling of some reaches of the water course and resultant relocation of streams. The report does not identify the types of crossings, construction methods, mitigation procedures or timing constraints. Anderson and Moore creeks are known as salmon spawning streams.

Approvals under section 7 of the Water Act will be required for this corridor. The information for these approvals must include a hydrologic assessment of the flows, channel hydraulics, sizing and placement of rip rap, sediment control during construction, timing of construction, stream diversions, habitat compensation and impacts of future widening of the corridor for road, rail or petrochemical pipelines. The petrochemical pipeline must avoid water courses because of significant risk to the environment.

The access corridor requires a comprehensive impact assessment with mitigation procedures fully outlined.

f) Atmospheric Resources

Volume 2 of the Prospectus briefly describes atmospheric

issues related to port operation. These preliminary comments are sufficient at this early stage of assessment. The proponent must carry out a more detailed impact assessment for the construction phase of the proposed project.

g) Water Quality

Dredging, filling, pile driving, corridor construction and operation could each affect water quality. The Prospectus provides an introductory discussion on these conditions. Assessment, and design of mitigation procedures, requires a more comprehensive review of these activities.

h) Wildlife Resources

The Prospectus includes a brief overview of possible impacts to waterfowl, shorebirds and marine mammals. This is adequate at this preliminary stage of assessment. A comprehensive impact assessment statement and proposals for mitigation of project impacts is required before Approval-in-Principle can be given, however.

i) Fisheries Resources

The Prospectus provides baseline information on fisheries and a preliminary discussion of impacts. The information is adequate at this preliminary stage of review. Later stages of assessment will require a comprehensive impact statement and proposals for mitigation.

j) Emergency Planning

The Prospectus does not address potential environmental emergency issues of the proposed project. These include:

a) Onsite
- spill prevention and contingency plans
- behavior and effects of MTBE release
- explosive hazards and fire
- emergency response and mitigation measures
- accident scenarios,e.g. train derailment, tank and transfer line failures
- financial liabilities and recovery of damages
- risk analysis.

b) Offsite (marine and terrestrial)
- tanker or barge grounding, collision or accident
- oil spill risk and response plans
- toxic chemical spill, risk and response.

Volume 1 Section 2.4, "Site Conditions", identifies offshore tsunami and local submarine landslides as potential sources of large energy waves. A 1975 submarine landslide caused sea level oscillations from -4.6 to +7.6 metres, chart datum. This event occurred at low water and therefore damage was relatively moderate. Severe damage would take place if this event occurred at high water with an identical 12.2 metre amplitude wave.

The Prospectus does not adequately address these risks. The

proponent must demonstrate an understanding of the hazards and present acceptable design standards for the terminal and access corridor to ensure public and environmental safety.

Requirements For Further Review

The Prospectus provides a good foundation for progressing to a detailed environmental impact assessment. The review comments of the Ministry of Environment, other agencies and the public should form the structure around which the full impact assessment is carried out.

Our review identifies the following key issues which require emphasis in the next stage of review:

- EIA of the corridor
- Comprehensive EIA of the estuary
- Design and testing of replacement habitat
- Sediment analysis and impact prediction
- Emergency planning and procedures
- Analysis of current and tidal changes and impacts

RECOMMENDATION

The Ministry of Environment considers the Kitimat Estuary of great significance to the marine environment in northwestern British Columbia. Full environmental impact assessment and review of the proposed Kitimat Marine Terminal is essential for the protection of this unique and important estuary.

The Ministry therefore recommends that further review under the MPRP be required before the Steering Committee considers the question of Approval-in-Principle for this project. Terms of reference to guide the proponents in meeting the Ministry's information requirements are appended.

R.W. Langford
Project Coordinator
MPRP

Province of British Columbia

Ministry of Transportation and Highways

MEMORANDUM

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Development, Trade and Tourism

May 7, 1991

MAY 08 1991

KITIMAT MARINE TERMINAL DEVELOPMENT
COMMENTS/QUERIES ON PROSPECTUS

The following queries have been generated by this Ministry's perusal of the Prospectus.

1. What are the socio-economic effects of diverting traffic away from both Prince Rupert and the South Coast?

2. Have the potential savings in transportation costs been established? If so, what is the quantum? What methodology has been used? Have the additional ship and ship-related costs been taken into account?

3. What will be the effect on ship movements when the anchorage capacity at the head of Douglas Channel is reduced from three locations to two? Can a system cost be established? If so, what is it?

4. Public terminals with single berths are less efficient than two berth terminals.

   There is no basis in the Prospectus to permit an assessment of the relative benefits of Stages 1 and 2 and, therefore, to see whether Stage 1 could be treated as either a viable interim or final development condition. i.e. If Stage 1 proves not to be viable when completed, it is likely that the remedial recommendation would be proceed to Stage 2?

5. Is there a private sector operator committed to completing the development?

6. If a private operator is not forthcoming, would the public sector be expected to complete the terminal and operate it?

7. The cost of the access road and associated linkages is not included in the appraisal, what is it? Planning, design, and rights of way issues are not resolved/presented.

/2

Recycled Paper

8. The cost/value of both the crown land and the privately owned land on which the terminal is to be built is not included, what is it? What are the costs of acquiring the rights of way for the road and rail access links?

9. As copper concentrates are presently exported from British Columbia, would a copper smelter not divert existing northern B.C. production, rather than import concentrate by sea?

10. What labour union is expected to operate the terminal? Will it be compatible with existing terminals? Will it be compatible with other public terminals on the coast? How will union incompatibility be handled in either case?

11. Why should port redundancy be judged a benefit? This requires explanation. If it is a benefit, it should be quantified.

These questions can be addressed through the supply of further documentation and/or study. Therefore, we recommend consideration be given to forwarding the proposal to an independent panel for further assessment.

B. R. McKenna

for Jonathan Seymour
Senior Policy Advisor, Marine
Policy Branch

Province of British Columbia

Ministry of Native Affairs

MEMORANDUM

RECEIVED
APR 26 1991

To: Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Development, Trade and Tourism

April 23, 1991
File: 91970-70/KITI

Re: Kitimat-Terrace Port Society Prospectus -- 91/01/15

Thank you for your memorandum of March 4, 1991 regarding the Kitimat Port proposal prospectus.

The proposed port facility falls within the comprehensive land claim of the Haisla Nation, which is represented by the Haisla Tribal Council (sometimes called the Kitamaat Village Council). The Haisla land claim was accepted for negotiation by the Federal Government in 1978, and was also recently registered with the Ministry of Native Affairs.

I was pleased to note that the proponent commissioned a review of available heritage information (p. 57, Volume 2) to assess the heritage potential of the proposed port site. I agree with the mitigation recommendations outlined in section 4.4 of Volume 2 of the prospectus (p. 71-72), that it will be necessary to undertake a heritage impact assessment study with field work, to ensure no heritage sites are damaged. I would suggest the Proponent consider hiring Haisla people as part of the heritage impact assessment. If there are no qualified Haisla people for this task, then at the very least the heritage study team should consult Haisla people regarding possible heritage site locations.

I also note that a socio-economic impact assessment was commissioned by the Proponent. This assessment was apparently based on interviews with concerned agencies in Kitimat, Terrace and Prince Rupert. However, it appears that the Haisla Tribal Council was not consulted as part of the assessment.

The Ministry of Native Affairs recommends that further consultation with the Haisla Tribal Council is warranted, given the proximity of the proposed port development to five Haisla Indian reserves, Native heritage sites, and traditional hunting and fishing grounds.

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As you are probably aware, last year the Supreme Court of Canada affirmed aboriginal rights to fish in the Sparrow case. More recently, the Supreme Court of British Columbia, in the Gitksan and Wet'Suwet'en land claim case, ruled that the provincial Crown has a fiduciary obligation to ensure aboriginal activities are not arbitrarily interfered with. As the proposed port facility has the potential to affect both fishing and hunting, it becomes important to consult the Haisla Tribal Council.

The Tribal Council may be contacted at the following address:

Haisla Tribal Council (Kitamaat Village Council)
Haisla, P.O. Box 1101
Kitamaat Village, British Columbia
V0T 2B0

Chief: Gerald Amos
Director of Administration: Ken Hodgins

Telephone: 639-9382

Thank you for the opportunity to comment on the proposed Kitimat-Terrace port project. Please do not hesitate to contact me if I can be of further assistance.

Nicholas P. May
Director
Natural Resource Management

Province of British Columbia

Ministry of Native Affairs

MEMORANDUM

To: Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Development, Trade and Tourism

April 29, 1991

APR 30 1991

689

Re: Proposed Kitimat Port Public Marine Terminal Public Comments

Thank you for your memorandum of April 18, 1991 and the copy of the public comments on the above mentioned title.

The Ministry of Native Affairs has reviewed the Project Prospectus and submitted comments to the Major Project Review Committee (MPRC) on April 23, 1991. Having now had an opportunity to review the public comments, in particular those submitted by concerned Native Bands and Tribal Councils, I would like to attach this memorandum as an addendum to the April 23, 1991 review comments.

As you are aware, the Haisla Tribal Council (also referred to as the Kitamaat Village Council) submitted their comments regarding the proposed port to the MPSC. The Haisla raised a number of concerns including:

- physical obstruction created by the port and resulting effects on water movement in the estuary, Minette Bay, and possibly Kitamaat River;
- navigational constraints in Douglas Channel;
- high probability of detrimental effects on the fisheries and other resource in the area which are important to the Haisla Nation; and,
- high probability of contamination of the sediments which would be brought to the surface during dredging and used for port structures.

Furthermore, the Haisla Nation has gone to considerable effort to point out areas of the prospectus which require more detailed information including the need for further discussion of mitigation measures.

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In addition to the Haisla Nation comments, the Lax Kw'alaams Indian Band, the North Coast Tribal Council, the Tsimshian Tribal Council, and the Hartley Bay Band Council have also submitted their comments to the MPRC. The majority of these comments expressed concern over the socio-economic consequences of reduced activity at the Prince Rupert Port.

The Haisla Nation, the Hartley Bay Band Council and the Tsimshian Tribal Council voiced a common concern for the need for meaningful consultation. As was discussed in the previous memorandum on the subject of the proposed project, the recent British Columbia Supreme Court decision in Delgamuukw v. British Columbia assigns the Province a fiduciary obligation with respect to aboriginal people and their use of unoccupied or vacant Crown land for subsistence purposes. The Chief Justice indicated in his decision that where a provincial policy or a proposed project may interfere with those activities, the Province must undertake "reasonable consultation" with the Native groups affected. Although the exact nature of the consultation has yet to be defined, it is clear that the court intended something more than disclosure of the proposed activities.

Please note that the Ministry of Native Affairs is working in conjunction with other ministries to define the Province's fiduciary duty. Cabinet recently approved an initiative to develop such a government-wide policy. This is being coordinated by the Ministry of Native Affairs.

Thank you for the opportunity to review the public comments. If I can be of further assistance, please do not hesitate to call me at 356-8282.

Nicholas P. May
Director
Natural Resource Management

Province of British Columbia

Ministry of Municipal Affairs, Recreation and Culture

MEMORANDUM

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, BC V8V 1X4

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APR 25 1991 UC3

April 23, 1991

BY FAX

DSB 705.7

Re: Kitimat - Terrace Port Project Prospectus (February 15, 1991)

We have reviewed the above-mentioned Prospectus as well as the two volumes of "Phase 2 Feasibility Study", dated February 28, 1991, prepared by Sandwell Inc. for the same project. Our comments are as follows.

The proposed port at Kitimat will have local and regional socio-economic impacts. The port will generate about 328 jobs when its two berths are operable. Most of the jobs will be filled locally and the remainder will be by in-migrants, who are expected to reside in Kitimat. The Prospectus indicates that sufficient housing, municipal and social services are available in the District of Kitimat to sustain the impact of additional population.

It is also indicated that due to the proposed project, nearly 40 man-years of direct employment could be lost in the Prince Rupert port, which may be translated into 86 jobs including indirect and induced employments. The Prospectus and the associated reports have not demonstrated the effects of 86 job losses on the City of Prince Rupert. We therefore propose that the proponent present additional information on the negative socio-economic impacts on the City of Prince Rupert.

As indicated in the reports, the project will generate a significant volume of road traffic due to trucks hauling logs to the port. We think the impact of additional traffic may be significant. We suggest the proponent address this issue at this stage.

In conclusion, we recommend that AIP for the project may be granted after the above additional information are prepared for our review.

RGhosh.

Ray Ghosh
Senior Planner
Development Services Branch

cc: Mr. Dave Morris, Executive Director
Local Government Services

Mr. W. J. Tassie, Senior Planner
Development Services Branch

Recycled Paper

Province of
British Columbia

Ministry of
Municipal Affairs,
Recreation and Culture

Parliament Buildings
Victoria
British Columbia
V8V 1X4

File: 610.9

April 26, 1991

APR 29 1991 683

Mr. Derek Griffin
Coordinator, MPRP
Regional Planning and
Infrastructure Branch
Ministry of Regional and
Economic Development
712 Yates Street
Victoria, B.C. V8V 1X5

Dear Mr. Griffin:

Re: Kitimat Marine Terminal Development
Kitimat-Terrace Port Society

Further to your March 4, 1991 and April 18, 1991 requests, we have completed our review of the Prospectus and compendium of public comments for this project and offer the following comments for consideration.

The results of the archaeological overview assessment undertaken for this project are reported on pages 57-63 and 71-72 (Vol. 2). This study concludes that while the proposed port facility is unlikely to impact archaeological sites, certain proposed/potential ancillary activities may impact these resources. Of concern are geotechnical testing, potential activities in the foreshore area north of the proposed terminal, and the Minette Bay area proposed for habitat compensation/enhancement in Minette Bay. In addition, the Archaeology Branch has identified a potential impact to archaeological site GaTd 3 if an alternate dumping site located on I.R. 1 is utilized for the disposal of dredged or excavated material. Finally, the Hartley Bay Band Council and North Coast Tribal Council have raised concerns in the compendium of public comments regarding potential project impacts on a "traditional home site", "ancient artifacts", and "ancient historical sites."

Given these considerations, it is evident that while the port facility is unlikely to impact archaeological sites subject to the provisions of the **Heritage Conservation Act**, ancillary activities have the potential to adversely impact such sites. Therefore, in order to evaluate impact management options it will be necessary to have an archaeological impact assessment conducted for locations proposed for geotechnical testing which coincide with areas of archaeological potential identified in the overview assessment; the alternate dumping site on I.R. 1 if this site is to be utilized; and in areas proposed for habitat enhancement in Minette Bay. In addition, an impact assessment will also be required for any proposed development activities in the foreshore area north of the proposed terminal, as well as for any archaeological sites identified by the

...2

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Hartley Bay Band Council or North Coast Tribal Council which conflict with development activities.

Archaeological impact assessments are to be conducted under permit, pursuant to section 5 of the **Heritage Conservation Act**, and in accordance with section 3.5 of the **British Columbia Archaeological Impact Assessment Guidelines** (AORB 1989). This assessment is to also include consultation with the Native groups who have expressed concerns regarding these resource values. Since there is uncertainty with respect to archaeological resource impacts and impact management options, the Archaeology Branch recommends the decision on project approval in principle be deferred and further assessment be undertaken under the Major Project Review Process.

Should you have any questions concerning these comments, please call me at 356-1438.

Sincerely,

R.A. Kenny
Senior Coordinator
Resource Management
Archaeology Branch

pc: G.R. Powell
D. Suttill

Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

MEMORANDUM

April 30, 1991 52120-50/11

Mr. Derek Griffin
MPRP Coordinator
Ministry of Development,
Trade and Tourism

RE: COMMENTS ON KITIMAT-TERRACE PORT SOCIETY PROSPECTUS

Thank you for the opportunity to review and provide comments on the above.

The prospectus indicates that the proponent has had preliminary discussions with B.C. Hydro regarding power supply to the site. The two options presented are tapping into the line presently serving the Ocelot marine terminal or, alternatively, obtaining any surplus power from Eurocan.

B.C. Hydro indicates that, based on conceptual discussions, there appears to be adequate power supply to the site without the need to upgrade existing facilities. This needs to be confirmed before approval-in-principle is granted. In addition, this Ministry expects the proponent to explore industrial Power Smart programs that will maximize the efficient use of energy at the proposed facility.

Please contact me at 356-2169 if you have any questions about the above.

Niall Mc Millan
Senior Project Analyst
Energy Project Analysis Branch

708

cc: Peter Ostergaard
Assistant Deputy Minister
Energy Resources Division

Denise Mullen
Acting Director
Energy Project Analysis Branch

Ed Macdonald
Energy Resources
B.C. Hydro

Recycled Paper

Province of British Columbia

Ministry of Crown Lands

MEMORANDUM

To: Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional & Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Date: April 15, 1991

APR 30 1991

RE: Kitimat-Terrace Port Society Prospectus Review

On behalf of the Ministry of Crown Lands the following comments are offered in regard to the Prospectus (dated February 15, 1991) for the proposed Kitimat marine terminal:

1. The proposed terminal site includes part of a Crown waterlot which is recently leased to Eurocan as well as another Crown waterlot which is not tenured at this time. Arrangements will have to be made with Eurocan to secure the use of the waterlot which Eurocan holds under lease. Likewise a tenure will be required from the Ministry to permit the dredging and filling of the Crown waterlot.

2. The form of tenure for the Crown waterlot is unspecified. Presumably the area to be filled could be leased during the development phase and then sold to the port authority following the development. Under current Ministry policy, the dredged waterlot would remain in provincial ownership hence a lease tenure would be appropriate for that area.

3. This Ministry has placed a map reserve under the Land Act (file 0343827) to protect the area in question for future port development.

4. This Ministry is prepared to recommend approval in principle for the project at this time.

J.R. Yardley
Regional Director
Skeena Region

/lf

cc: Lynn Kennedy

Province of British Columbia

Ministry of Lands and Parks
VICTORIA, B.C.

MEMORANDUM

May 6, 1991
File: 3-16-1-13

To: Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates St.
Victoria, B.C. V8V 1X5

Re: Kitimat - Terrace Port Society Prospectus

B.C. Parks has reviewed the prospectus and has no comments or concerns with this proposal with respect to impacts on parks, recreation area and ecological reserve resources.

The Prospectus documents are enclosed for your further use.

GRSatt

for Louise Goulet
Manager
System Planning & Policy

GRS:cs

cc: M. Murtha

729

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Province of British Columbia

Ministry of Agriculture and Fisheries

MEMORANDUM

May 13, 1991

Mr. Derek Griffin, Coordinator
Major Project Review Process
Ministry of Development, Trade and Tourism

MAY 13 1991

747

Kitimat-Terrace Port Project
Kitimat Marine Terminal Development Prospectus Review

Thank you for sending me your February 15, 1991, Kitimat Marine Terminal Development Prospectus.

Our review indicates that marine resources and fisheries habitat will be impacted should the project proceed. The extent of the marine fisheries impacts have not been quantified to our satisfaction. In particular, the proposed Kitimat Port Development project has potential to significantly affect the productive capacity of outmigrating juvenile salmon within the Kitimat estuary.

Further assessment is required to:

- identify the extent of fishery harvest loss by species and its importance to the commercial fishery; and
- indicate appropriate mitigation measures.

The Ministry of Agriculture, Fisheries and Food recommends that a full environmental impact assessment be conducted for review prior to the project proceeding to Stage 1.

Jerry Kaspryk
Policy Analyst
Policy Branch

Recycled Paper

FACSIMILE TRANSMISSION

138

FROM
NICOLETTE MILLER
FOR
Barry A. Lee
Senior Project Manager
THE MINISTRY OF DEVELOPMENT, TRADE AND TOURISM
SUITE 300 - 1803 DOUGLAS STREET
VICTORIA, BC V8T 5C3
FAX (604) 387-5774/TEL (604) 387-1535

SHEET 1 - 2

TO:
Bob Steele
Research Officer
Ministry of Development, Trade
and Tourism
Regional Planning and Infrastructure
Branch
Fax 356-9275

DATE:
May 6, 1991

SUBJECT: Kitimat-Terrace Port Society Prospectus

We have had the opportunity to review the above report and from a tourism standpoint we submit the following comments:

The report makes reference to "a coastal berth for barges, pocket cruise ships and ferries". For your information a study produced for our Ministry entitled "Small Ship Cruising in British Columbia" indicated that there is a significant market for small ship cruising in BC waters and there are several factors which support the potential for it's development.

There are however, important needs and requirements that must be taken into consideration when a port, or potential port is intending to cater to small ship cruise vessels. One consideration for cruise operators in developing their itineraries is port costs. It is important that port costs be reasonable and the ship receives value for money. And while a community may offer several activities and attractions it still may not be a viable port-of-call for a small cruise ship. Important points to note are:

- On-shore services and attractions are in keeping with the overall quality level which the industry sells.

- Services need strict coordination with the cruise itinerary schedule.

- Reliable ground operators are essential to the small ship cruise companies, given the itinerary emphasis on on-shore activities.

- There are of course a number of other factors and issues that Ports must be aware of in regard to small ship cruise vessels.

Conclusion:

While the port facility offers opportunity, the tourism component will be long-term development.

I am forwarding under separate cover a copy of the Small Ship Cruise Study.

Barry A. Lee
Senior Project Manager
Tourism Development Division

Province of
British Columbia

Ministry of
Education
SCHOOL FACILITIES
BRANCH

620 Superior Street
Victoria
British Columbia
V8V 2M4

April 22, 1991

APR 25 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, British Columbia
V8V 1X5

Dear Mr. Griffin:

Re: Kitimat-Terrace Port Society Prospectus Review

The Socio-Economic impacts described in the prospectus for the proposed Kitimat Marine Terminal Development have been reviewed. We concur with the prospectus that the expected population increase of 165 which could result from the project, would not have a significant impact on the regions educational facilities during construction or operations phases.

Yours truly,

L.K. Hunt
Manager, Planning
School Facilities Branch

LKH

c.c. K. Miller
J. Fuller

Recycled Paper

Province of
British Columbia

Ministry of
Health

1515 Blanshard Street
Victoria
British Columbia
V8W 3C8

April 26, 1991 File. IDA

Mr. Derek Griffin
Coordinator
Major Projects Review Process
Ministry of Development Trade
and Tourism
4th Floor, 712 Yates Street
Victoria, British Columbia
V8V 1X5

Dear Mr. Griffin:

Re: Kitimat-Terrace
Port Society Prospectus (3/91)

The Ministry of Health has reviewed the Prospectus and the compendium of comments submitted to the Major Projects Steering Committee dated April 15, 1991.

The Medical Health Officer, whose jurisdiction includes the Kitimat-Terrace area, advises that the medical care services and public health resources would appear not to be impacted by the project as described in the Prospectus.

Sincerely,

B. A. Willoughby
Manager
Drinking Water and Pool Program
Public Health Protection

cc: Dr. D. Bowering
Medical Health Officer
Skeena Health Unit

Mr. J. Philion
Research and Evaluation Branch
Policy, Planning and Legislation

Mr. R. Smith
Manager
Public Health Protection

JP/mm
W02.0

Province of British Columbia

Ministry of Forests

MEMORANDUM

To: Mr. Robert D. Steel
Secretary,
Major Project Steering Committee
Ministry of Development, Trade and Tourism
712 Yates Street
Victoria, British Columbia
V8V 1X4

From: Industry Development Branch

Date: May 10, 1991

Our File: 202-20MPRP

Your File:

Re: Kitimat Port Development

This is to advise the committee that the Ministry of Forests does not have any comments on this development.

Viggo Holm
Industry Specialist

755

Fisheries and Oceans | Pêches et Océans

Habitat Management Unit
716 Fraser St.
Prince Rupert, B.C.
V8J 1P9

Your file / Votre référence

Our file / Notre référence

May 1, 1991

FILE 5300 - 1

Mr. Derek Griffin,
Coordinator,
Major Project Review Process,
Ministry of Regional & Economic Development,
712 Yates Street,
Victoria, B.C.
V8V 1X5

MAY 03 1991 716

Dear Mr. Griffin:

RE: **KITIMAT-TERRACE PORT PROJECT PROSPECTUS**

I have received the attached reviews on the above prospectus from the members of the Task Force on Ports and Marinas.

Federal Agencies found the report/prospectus to be poorly written and researched. Many of the sections do not provide sufficient pertinent information and detail on the proposed work or environmental impact issues necessary to support the conclusions drawn in the prospectus.

Federal Environmental Agencies do not agree with the statement in the Executive Summary (Item 5)....."The environmental assessment/ shows that marine habitat lost at the terminal site can be fully offset by habitat compensation works." It was based on literature reviews, field reconnaissance and sampling carried out in October 1990. The Department of Fisheries and Oceans (DFO) believes that an environmental assessment of impacts to marine foreshore environments which is based on sampling during the dormant season and information from the literature is not adequate for a development of this type, and the conclusions are without solid foundation.

The conclusion that DFO will accept compensation for alienated habitat is not justified. The Department's policy of NO NET LOSS clearly spells out the necessary steps which must be undertaken. These steps involve discussion between the Department and the proponent, not just second guessing by the proponent's consultant. Federal Environmental Agencies are very concerned about the

Canada

cumulative environmental effects that this proposal, on top of those from the existing industrial developments, will add to the Kitimat estuary. The Agencies have serious concerns about the effects on the circulatory patterns and the sediment budget at the head of Kitimat Arm, when over half the estuary frontage is blocked by industrial port developments projecting out from the foreshore. Compensation for the loss of such valuable habitat is only acceptable when no other alternative way of meeting public necessity is available.

There is also serious doubt about whether a compensatory package such as that offered in the prospectus could be successful in northern waters. So far there are only a few examples of compensation in this area. They are of very small size, and are still in the monitoring stage to assess whether they achieve the desired results.

PUTTING VALUABLE FISH HABITAT AND MIGRATORY BIRD HABITAT AT RISK FOR THE DEVELOPMENT OUTLINED IN THIS PROSPECTUS IS NOT ACCEPTABLE AND WE RECOMMEND THAT THIS PROPOSAL BE REJECTED.

The Task Force appreciates the opportunity to review the proposal at an early stage so that the screening requirements under EARP can be addressed.

I shall be attending the MPRP meeting in Vancouver on May 7th, and will respond to any comments or questions from the Major Project Steering Committee.

Yours Sincerely,

Leslie H. Powell,
Chairman, Northern Task Force,

CC: R. Sherwood
Task Force Members
FEARO
D.L. Deans
N.J. Lemmen

Government of Canada | Gouvernement du Canada

MEMORANDUM
NOTE DE SERVICE

TO: Leslie Powell
Senior Habitat Biologist

FROM: Uriah Orr

SECURITY CLASSIFICATION	
OUR FILE disc 1/91 MEM7	
YOUR FILE	
DATE April 26, 1991	

SUBJECT: TECHNICAL REWIEW KITIMAT PORT PROSPECTUS VOLUMES 1 & 2

From a brief review of the above documents I offer the following preliminary comments.

VOLUME 1

Executive summary page iii item 8.

Neither Volumes 1 or 2 has shown that marine fish habitat consumed by the proposed developement can, with high probability of success, be replaced by the compensation outlined in the prospectus.

2.6 Port Access Road and Railway

The alignment as shown on Figure 3.4 crosses active floodplain of Anderson and Moore Creeks. Negative impacts resulting from the present Eurocan haul road and problems related to flooding are well documented. None of these known concerns is addressed by the prospectus.

2.11.3 Impact on the Kitimat River

After acknowledging the impact on current velocities which would result from blocking off "approximately one third of the gap between Eurocan and the east shore of Kitimat Arm," no discussion of resultant impacts (sedimentation, scouring etc) follows. To conclude that,"Effects farther upstream or in Minette Bay are expected to be minor or non-existent," is impossible without extensive further study.

The above mentioned lack of detailed current/sedimentation data makes habitat impact assessment of developements proposed in the prospectus impossible.

2.11.5 Habitat Compensation Works

No scientific basis exists for equating mud flat productivity to marsh productivity at a ratio of 1.0 to 0.5

The National Habitat Policy states a clear preferance for like-for-like replacement. This means mud flat would be replaced 1:1 at a minimum.

2.14.1 Access Railway

Insufficient clearance under the present Eurocan haul road bridge is one of the problems referred to under section 2.6 comments.

3.3 Potential Impacts and Mitigation

Other than listing the intertidal fish habitat lost by filling, there is no discussion of impacts to fish habitat of the Kitimat Estuary. Most notably missing, is an analysis of risk/benefit to the fishery resource posed by Kitimat port developement which is acknowledged as providing "redundant" capacity to the northwest region.

To date, only a relatively small fish habitat compenstion project is in progress in the Kitimat Estuary(between Eurocan and Ocelot terminals). The compensation proposed is several orders of magnatude larger and there is nothing in the prospectus which would allow any probability assessment of compensation success/failure.

VOLUME 2

3.1.1 Hydrology and Water Circulation

In the absence of any hard measurements of inner estuarine tidal currents and circulation patterns it is difficult to accept report statements, assumptions and conclusions related to fill impacts, fish use, sedimentation rates or compensation viability.

3.1.3 Fish and Invertebrates

Page 20 Herring spawn occurrs at the entrance of Minette Bay and was observed as recently as April 1991.

3.1.4 Estuarine Habitat

Unvegetated Tidal Flats

There is no discussion of the functional value of mud flat in maintaining fish habitat productivity. Throughout the prospectus, the assumption is that successful gardening of marsh plants equates to successful fish habitat compensation. The question of value to fish is not addressed.

3.2.2 Geology and Soils

Surficial Geology

Page 38 Evidence that the delta is "growing rapidly" has serious implications for the viability of the fish habitat "compensation" as proposed. The area excavated for compensation would require periodic removal of fresh sediment such that marsh could not be maintained.

3.6.1 Fisheries

The statement attributed to mud flat habitat compensation of 0.5:1 is completely incorrect. I informed Norecol that in accordance with the National Habitat Policy, any mudflat utilized for the purposes of habitat compensation would itself require compensation.

4.6.2 Habitat Compensation

The estimate of 1.3 hectare of marsh surface lost to port developement seems low given the size of the proposed developement.

Page 75 The assumption, marsh is more "valuable" biologically than mud flat and hence requires a smaller area of compensatory habitat, is incorrect. This assumption does not address the question of mudflat function in relation to fish. Both marsh and mud flat must be present on-site to assure maintainance of productive fish habitat.

From the juvenile salmon foreshore use study done in 1984-85, fish are present throughout the estuary even west of the Eurocan terminal. The juvenile densities encountered in this work make it important for fish production, not to increase estaurine densities by removing large areas of productive habitat and not seperate high value rearing areas by construction of low or non productive foreshore structures.

Based on the above report deficiencies, I recommend DFO not the approve the proposed Kitimat port developement.

Uriah Ou

DFO REVIEW OF THE WATER QUALITY/POLLUTION ASPECTS OF THE

KITIMAT-TERRACE PORT PROJECT

KITIMAT MARINE TERMINAL DEVELOPMENT PROSPECTUS (FEB. 15/91)

-prepared by: Water Quality Unit
Habitat Management Division

-April 26/91

Volume 1
Executive Summary:

-there appears to be considerable uncertainty regarding the potential products which could be handled, stored and shipped at the proposed facility. In addition to ore and concentrate, which can impact near-shore benthic habitat and receiving water quality if spilled, potential products could presumably include toxic, persistent materials which could also impact fisheries resources and habitats.
-the potential increased risks to inland aquatic habitats from the transportation of hazardous materials (eg. spills into rivers) must be addressed.
-does the environmental assessment actually "show" that the proposed habitat compensation would acceptably offset the expected marine habitat loss?
-The statement that the Kitimat terminal provides "redundancy" of port services in the Northwest raises the question of the overall necessity for the facility (see also comments on sub-section 2.2 below).

2. Project Description

2.1 Cargo Forecast
-would "materials for ... the potential copper smelter" include bulk ore requiring transfer equipment such as conveyor systems? These can cause a considerable loss of material to the receiving environment (see also comments on sub-section 2.7 below).

2.5 Navigation
-there is no consideration of increased risks of vessel accidents, and consequent potential oil and product spills, from an apparent 50% per annum increase in vessel traffic.
-there is also no discussion of the potential problems which could result from the likely decrease in available anchorage in Douglas Channel expected from the construction of the proposed terminal. Such problems could include the inability to secure disabled vessels, particularly in the event of a two vessel accident. This decrease in secure anchorage could significantly hamper efforts to minimize or prevent environmental damage from oil and product spills.
-the potential for increased risk of accidents with respect to specific berth alignments is mentioned but the overall risk of accidents and environmental impacts for the proposed terminal is not discussed.

2.7 Berths
-it is unclear if all potential cargoes would be delivered by forklift/truck or whether equipment such as conveyor systems would be used.

2.11 Dredging and Land Reclamation
-can proposed suction dredging be realistically and acceptably undertaken during a period of the year which would preclude impacting (entraining) juvenile fish? Table 3.1.3-1 (Volume 2) indicates that Sept.-Oct. are the only months when rearing salmonids (ie. coho) do not utilize the estuary (actually rearing occurs all year to some degree). The report indicates (see sub-section 2.18) that dredging would require at least three months to complete and that DFO timing restrictions "places a major constraint on timing of the dredging".
-there is no discussion of the environmental consequences of increased velocities adjacent to the proposed fill area in the Kitimat River estuary with respect to effects on migrating/rearing fish, sediment concentrations, vegetation, slope stability and channel scour and redirection.
-there also appears to be no consideration of the environmental (including physical) effects of the proposed fill on overall estuarine water circulation, salinity, sedimentation and vegetation.
-there is no indication whether the log dumps identified on Figure 4.1 are active. If so, what effect would such activity have on the long-term productivity and physical integrity of adjacent compensatory marsh?
-it is unclear as to the proportion of the proposed fill/reclamation required for Stage 1 vs. Stage 2, the expected construction scheduling for Stage 2 and the likelihood of Stage 2 being required.

2.15 Services
-discussion regarding the expected impacts of the potential discharge of raw sewage (and possibly other harmful or toxic effluents) on aquatic resources should be included. Provisions to prevent the discharge of harmful/toxic materials (for example: oily bilge, contaminated ballast (also potential for introduction of exotic species)) from ships should be presented and discussed here.

2.16 Capital Cost Estimate
-what is "habitat compensation allowance"?

5. Infrastructure Requirements

5.2 Infrastructure Required at Port
-it is unclear why the Provincial government would be conducting the proposed dredging, filling and compensation works for the proponent. If that is the case, what will be the respective roles of the proponent and the Provincial government in securing DFO's input and possible approval with respect to the acceptability of any habitat loss and possible compensatory options?

Volume 2 - Appendix A

-many of the comments presented above are applicable to comments on pertinent sections in this volume and, therefore, are not repeated.

1. Introduction

1.3 Overview of Potential Environmental Concerns

-identification of the source of the reference to DFO's identification of a suitable development area in the estuary is necessary (this does not appear in the reference section).

2. Project Description

2.6 Schemes

-why does Figure 2.6-1 differ with respect to the proposed Stage 2 filling/dredging from Figure 5.5 in Volume 1? The staged requirements for the filling and dredging are unclear.

3. Environmental Baseline

3.1 Aquatic Resources

3.1.2 Water Quality

-the reference to "provisional water quality objectives ... water environmental and resource management" requires explanation. What are these objectives and their basis/reliability/applicability for managing "water environmental [sic]"?

3.1.3 Fish and Invertebrates

-the Kitimat River Hatchery was not fully operational until summer 1983. I presume the pre-1983 release data (Table 3.1.3-3) is from the pilot project operation?

3.1.5 Sediment Quality

-the sited 0.6 ug/g. level for Cadmium represents the regulated level under the Ocean Dumping provisions (Part VI) of the Canadian Environmental Protection Act (CEPA).
-unlike mercury and cadmium which are prohibited substances, lead is a restricted substance under CEPA. In certain places, the report appears to confuse regulated levels under CEPA with screening limits identified in the OD interim guidelines.
-what constitutes an "unusual" level of a heavy metal? This obviously needs clarification and explanation.
-why were only about 50% of the samples for metals analyzed?
-in order to meaningfully review the dioxin/furan data (albeit limited), detailed information is required on the lab analyses and sampling/analytical methodologies.
-the source of the dioxin contamination remains unknown.
-the harvesting closures are not restricted to commercial users.

-concerns with respect to dioxins relate particularly to human health, carcinogenicity potential and environmental persistence.
-the dioxin/furan data (ie. ND) and PAH levels reported appear to be inconsistent with data obtained by Environment Canada which showed elevated levels in the general area of the subject sampling sites. Further assessment of relevant, recent data is required.
-the sampling and analytical program for organic chemicals, as well as the other chemical parameters is totally insufficient (ie. based on only three samples (for organics)). Accordingly, statements indicating that "no significant concentrations [of PAHs] were found in the marine terminal site" and that "there does not appear to be potential for impacts of dioxins/furans on (?) water and sediment quality during the proposed dredging and filling", based on three samples are misleading and inappropriate and cannot be meaningfully considered in reviewing the prospectus. Therefore, PAH concentrations, as suggested by the referenced EC data, could be elevated and pose a problem with respect to compliance with the OD guidelines. This could also apply to the other parameters measured (although more samples were analyzed for metals).
-there is some indication that sediments in areas of Minette Bay are contaminated with dioxins, which is a consideration with respect to any dredging required for the proposed compensatory works.

3.5 Regulatory Policy and Review Process
-this is a particularly poorly researched and written section.

3.6.1 Fisheries
-we may wish to add that DFO concerns with respect to the protection of fish and fish habitat include consideration of potential sediment contamination and possible redistribution of contaminants as a result of dredging/filling, potential oil and toxic product spills (includes vessel accidents and loading loss), changes to estuarine water circulation and associated potential scour, sedimentation, and water quality changes.

3.6.3 Sediments and Water Quality
-the Ocean Dumping Control Act was incorporated into the Canadian Environmental Protection Act (CEPA) (which came into effect in 1988). The ocean dumping control provisions appear in Part VI with applicable regulations and schedules referenced.
-it is unclear what proportion of the material to be dredged for berthing (navigation) purposes would be used for the filling of the mud-flats and what would be ocean dumped.
-the proposed filling may be subject to the ocean dumping provisions and restrictions of CEPA.
-concerns with respect to the protection of fish and fish habitat from the construction of stream crossings involves more than "various water approvals".

3.6.4 Waste Management and Spills

-this is a poorly written sub-section.

-not all waste discharges are regulated by the Provincial government (eg. federal facilities and reserves, vessels). Further discussion of the Provincial permitting system could be provided.

-there is no discussion of spills. The potential environmental implications of spills (eg. spills from loading, vessel accidents) and the coincident requirements for spill prevention and contingency provisions (eg. response plans, notification requirements, containment and clean-up equipment and capabilities) are important considerations in proposal evaluation.

4. Preliminary Environmental Impact Assessment

-this is a very deficient section and is poorly written and researched.

4.1 Fish and Estuaries [sic] Habitat

-the identified range of total area potentially affected by the proposal is different to that stated in the Executive Summary (page iv) and in sub-section 4.2.

-how will erosion control (rip rap) "replace the limited amount of existing rock bank habitat"?

4.3 Sediment and Water Quality

-the statement that there are "low concentrations of organic contaminants and heavy metals in the sediment of the proposed site" is based on limited data which, for some contaminants, is inconsistent with data collected by government (EP) and indicating elevated contamination. This statement, and the conclusion that there would be "no significant impact on water quality", therefore are misleading and inappropriate and, upon consideration of results of sufficient and proper sediment sampling and analysis, could be totally incorrect. Potential impacts on water quality and resources could indeed be significant. In addition, further sediment analysis could indicate that certain bottom material is unsuitable for ocean disposal.

-what are "standard" spill contingency plans? Such plans do not just deal with impacts but address spill prevention and preparedness, notification, impact mitigation, clean-up and containment, etc.

-how does ballast and bilge water relate to "the biological parameters of water quality such as coliform counts"?

-affluent from vessels could also include raw sewage discharge. Ballast water may pose a concern with respect to the introduction of exotic species.

-the discussion provided on the impact assessment of potential spills of fuels/chemicals is woefully deficient and provides little information for impact evaluation.

4.6 Mitigation

4.6.1 Water Quality

-the possible release and suspension of organic compounds and heavy metals during proposed dredging and filling may not be "temporary" and easily mitigated.

-how could a choice of material for filling, since this presumably would have to be taken from adjacent marine sediments, be a consideration for minimizing potential impacts? Also, what other method than hydraulic suction dredging could reasonably be used?

-what would "sufficient wastewater holding" entail? The report has stated that provisions to collect and treat sanitary sewage from vessels would not be provided. How could the discharge of ballast be controlled?

-measures to prevent the loss of contaminants during terminal operation could include adequate spill containment provisions.

5. Conclusions

-the conclusion that "sediments in the project area are not contaminated and would be acceptable for ocean dumping" is misleading and unsupportable for reasons given above (see comments on sub-sections 3.1.5 and 4.3). Analysis of sufficient sediment samples may conversely indicate that sediments are significantly contaminated and not suitable for ocean disposal.

-this is the first mention of possible depression of dissolved oxygen during dredging and filling. Discussion of the seriousness of this potential problem is required.

-as stated previously, DFO's "no net loss" principle has been inappropriately interpreted and applied.

26 April 1991
Memo to: Mike Flynn, Habitat Management 327

From: Colin Levings

Subject: Kitimat-Terrace Port Study Environmental Assessment(your memo of April 25 1991)

I have had only a brief study of the above report and without further reading I can only make preliminary remarks on the content. These follow:

1. My first impression is that someone should review the Roberts Bank project to see if DFO was able to achieve NNL for that project. My recollection of Roberts Banks is that it was difficult to put together a "balance sheet".It seems to me the Kitimat proposal is heading down the same road.

2. The Kitimat proposal involves the permanent loss of 32 to 41 ha of fish habitat (sand/mud; marsh) (p. iv) of the proposal. I am not confident that proven technology exists to compensate for the loss of fish habitat of this scale.

3. In my opinion "construction of approximately 18 ha of new marsh on low lying dry land adjacent to Minette Bay" (p. v of proposal) might cause problems. The bottom water in Minette Bay is sometimes characterised by low D.O. and provision of food resources nearby might attract fish in an area of poor water quality.

4. The compensation ratio for mudflat to marsh (0.5 to 1.0) mentioned on page 64 of the proposal must be seriously questioned. The scientific bases for these ratios are still being developed. I am not sure if this ratio would be acceptable to other habitat management biologists in the region and this case would be setting a major precedent because of the large area of habitat involved.

5. The Alcan and Eurocan developments have alienated substantial areas of fish habitat in the western sector of the estuary. The proposed development should be not viewed in isolation from the existing port facilities. I believe the Kitimat estuary needs a management plan so that damage to fish habitat can be minimised from proposed and existing developments.

6. Construction of port facilities would "pinch off" the estuary further, and, as mentioned on page 2- 11 of the report, could lead to velocity increases in the eastern sector of the estuary. This issue needs to have further study as increased velocities could result in erosion of habitat.

I would like to stress that these are my preliminary remarks and may be subject to change if/when I was asked for a formal review of the report.

Colin Levings
C.D. Levings

61

INTEROFFICE MEMORANDUM

Date: 25-Apr-1991 18:21 PST
From: Laszlo Retfalvi
RETFALVIL
Dept: Hab. & Ecol. Assmt.
Tel No: (604) 666-8143

TO: LESLIE POWELL, DFO, PRINCE RUPERT (PAPER MAIL)

CC: Bob Sherwood (SHERWOODB AT A1 AT EPVAN)

Subject: KITIMAT PORT PROPOSAL

The following comments are based on a review of the Kitimat Marine Terminal Development Prospectus, Volumes 1 and 2, of the Kitimat-Terrace Port Society, February 15, 1991, the Kitimat-Terrace Port Study, Phase 2 Feasibility Report, Volumes 1 and 2, of Sandwell, February 28, 1991 and Public Comments Submitted to the Major Project Steering Committee, April 15, 1991. Volume 2 of the Sandwell report is identical to Volume 2 of the Prospectus with the addition of a section on social impact assessment. Several key submissions in the public comments volume were unfortunately illegible.

Need

Although not often a factor in our reviews of environmental documents, the subject of need must be thoroughly aired with the current proposal because of its central argument of "serving the public interest". Sustainable use of natural resources is in the best public interest and is a central tenet of government policy. The current proposal appears to be at odds with that principle.

Estuarine habitat

Estuarine habitats are very important to migratory birds because they provide the key requirements of food and shelter during the critical phases of migration and wintering. Because of the uncommon occurrence of estuarine habitat in British Columbia and all of Canada, all estuaries are important to birds. The already much degraded state of many estuaries and the constant threat of further degradation due to the expansion of industry and settlements make the remaining estuaries critically important to the survival of viable bird populations.

Further encroachment into estuaries threatens the sustainability of their productive capacity. Estuaries are ecosystems that are either not replaceable because of the lack of indepth knowledge of their workings or attempts at replacement of their component parts are so costly that any related developments become economically not feasible. Further impacts, therefore are unacceptable.

Kitimat estuary

The estuary of the Kitimat River is the largest on the north coast of B.C. and thus fills a very important function in the life of migratory birds inhabiting the Pacific Coast. Approximately one third of estuarine habitat in the area is now permanently lost to port developments and the remainder is likely degraded

because of heavy industrial use. The closing of shellfish harvesting is the most telling sign of serious habitat degradation. The maintenance in a productive state of the remaining estuarine habitat is paramount in importance.

Proposal

The proposal to build a multipurpose marine terminal in addition to existing facilities threatens the sustainability of natural production in the estuary. The proposal is narrow in scope and lacks sensitivity to environmental values. It appears to be for a "speculative overbuild" at the expense of irreplacable natural resources. The proposal is overly presumptious of the feasibility of "technical fixes" to environmental damage.

Report

The whole concept of environmental review processes is toward the safeguarding of public interest in maintaining environmental values. Government agencies review development proposals and comment on environmental implications with that objective in mind. Private consulting firms preparing environmental assessments are expected to work toward the same objective by advising their industrial clients on the "howabouts" of environmental design. Therefore, attempts in Volume 2 of the Prospectus as well as in Volume 2 of the Phase 2 Feasibility Report, to point out the lack of "statutory authority" for Environment Canada and BC Environment for the protection of wildlife habitat and thus by implication an absence of need to further consider wildlife matters suggests a serious lack of judgement by the authors.

Indeed, the authors of the report ignore compensation requirements for the self-calculated 40 to 50 hectares of "affected" waterfowl habitat and consider bird habitat values only in their rejection of on-site compensation (i.e., building marsh on top of mudflats) and in their recognition of incidental waterfowl use of "compensatory" fisheries habitat. In our opinion the proponent is ill-served by advice that is aimed at shortchanging environmental values. Environment Canada and BC Environment may lack authority analogous to that contained in the Fisheries Act but those agencies have "statutory responsibility" for the management of wildlife in which is inherent the responsibility for protecting adequate wildlife habitat. Advice to agencies with "statutory authority" to control land use is one means EC and BCE use in meeting that responsibility.

More serious than the lack of judgement criticized above is the omission of discussion or at least a reference to the federal EAR Process which applies to the subject proposal. That process requires that all environmental concerns are fully considered before decisions on a project are made. Concerns for wildlife habitat impacts and the need to manage likely impacts were not considered by the reviewed documents. The omission amounts to misleading the proponent about its environmental responsibilities.

Requirements

Considering the likelyhood that an "approval in principle" is not forthcoming for the proposal and that the proponent wishes to pursue the matter further the following topics will need to be taken into account:

1. The concept of sustainable development where sustainability means kinds of

developments that leave the natural resource base unimpaired.

2. Evaluation of alternate solutions in response to documented needs, regional evaluation of alternate sites with environmental impact the prime consideration and the concept of maximizing use of existing facilities.

3. The concept of environmental design that is based on the "least impact" principle, where the cost of full mitigation with the best known technology and full compensation for residual impacts is built into estimates at the planning stage of the project.

4. Delivery of satisfactory documentation on the feasibility of compensation.

5. Provision of security from alienation and from further threats of deterioration for habitat established as compensation.

Regards,

Laszlo Retfalvi

Canadian Coast Guard
Garde côtière canadienne
Western Region
Suite 680 - 800 Burrard Street
Vancouver, B.C.
V6Z 2J8

April 30, 1991

TC7700-02

PMA 8024-4-1

Mr. Bob Sherwood
Senior Physical Scientist
Environment Canada
Referral & Impact Analysis Group
224 W. Esplanade
North Vancouver, B.C.
V7M 3H7

Dear Mr. Sherwood:

Re: Kitimat-Terrace Port Society Prospectus

I am writing to you concerning the participation of Coast Guard's Navigable Waters Protection Branch in the Federal Inter Agency Task Force established concerning the proposal for port development at Kitimat, B.C.

We would be pleased to participate in such a task force if so requested, and you may contact myself, Capt. Brian Tuomi, or our area officer, Mr. Brian Balfe for further information. In referring to Mr. Pavlov's letter of April 26, 1991, I would reiterate that provisions of the Navigable Waters Protection Act concerning the approval of work should be of great concern to any proponent of such a project, as application and approval under this legislation is mandatory before work begins.

As requested by Mr. Pavlov, my office has examined the prospectus for the Kitimat-Terrace Port Project from a very preliminary point of view. We can at this time see no interference with marine navigation. I would suggest, however, that in consideration of section 2.5.1 of the prospectus, one of the two remaining anchorage areas should be designated for emergency purposes.

I conclude by once again reminding all parties concerned that a formal application according to the Navigable Waters Protection Act will be required, and the approval process can be quite lengthy.

Yours sincerely,

R.B. Bryant
Regional Manager
Marine Navigation Services
CCG Western

cc: Mr. B. Pavlov

BT/wml/kitimat

Transport Canada Transports Canada

Suite 1020
800 Burrard Street
Vancouver, B.C.
V6Z 2J8

2/3

April 30, 1991

Your file Votre référence

Our File Notre référence
TC7700-02

Mr. Leslie Powell
Habitat Management
Department of Fisheries & Oceans
716 Fraser Street
Prince Rupert, B.C.
V8J 1P9

Dear Mr. Powell:

re: Kitimat-Terrace Port Society Prospectus

We are writing to you in your capacity as Lead Initiator for the initial environmental assessment of the proposed project contained in the above noted Prospectus. It should be noted that, in addition to the comments on this prospective contained herein, the Canadian Coast Guard (CCG) of Transport Canada will also be providing comments pertaining to implications respecting the Navigatible Water Protection Act which is administered by the CCG.

We have reviewed the Prospectus within the context of the National Ports Policy which was promulgated under the Canada Ports Corporation Act (1982) and for which the Minister of Transport ultimately has responsibility. The objective of the ports policy for Canada, as enunciated in this Act, is to create a port that, amongst other things: "(a) is an effective instrument of support for the achievement of Canadian international trade objectives and of national, regional and local economic and social objectives; (b) is efficient; (c) provides accessibility and equitable treatment in the movement of goods and persons to user of Canadian ports; ... (e) is coordinated with other marine activities and surface and air transport systems."

In assessing the merits of the subject port development proposal within the overall context of the aforementioned objectives, we have identified two primary areas where additional information to that currently contained in the Prospectus would be required to adequately assess the project. These 2 areas are: project justification and the identification of social costs/benefits.

Canada

In the first instance, normally when a project includes the expenditure of public funds, project justification is based on the determination of the net benefits of the recommended option as versus those that would be realized vis a vis the status quo as well as other possible options. Much of the information necessary to carry out such an analysis is not currently contained in the Prospectus. Several examples of this are outlined in the following paragraph.

The prospectus points to a very valid benefit that could be realized under the Port Development at Kitimat option, i.e. reduction in (surface) transportation cost because of shorter distances for certain shippers. Unfortunately, this is only part of the equation and does not necessarily reflect a net incremental benefit for in all likelihood the marine related costs would be greater under this option versus the status quo option. Similarly, the prospectus suggests that "redundancy of facilities" is an incremental net benefit of the recommended option. This suggestion fails to acknowledge a very real cost associated with this notion that being the underutilization of existing facilities for which expenditures are sunken costs and not new expenditures.

Turning now to the second area where the Prospectus is totally silent and this pertains to social costs particularly those that would affect the native people. This shortcoming is reflected in the public comments received to-date for the Kitimaat Village Council, the Tsimshian Tribal Council, the Hartley Bay Band Council, the North Coast Tribal Council and the Lax Kur'alaams Indian Band have all expressed serious misgivings about not only the proposed project but also about the fact that many of their people have not been consulted as part of the ongoing process.

We trust that these comments will be of use to you in preparing the federal agencies response to the provincial Major Project Review Process and in carrying out our Initial Assessment under the EARP Guidelines Orders. Should you wish further clarification on our comments please feel free to contact either myself or Kevin Kavanaugh.

Yours sincerely,

Original Signed by
B. PAVLOV
A signé l'original

Boris A. Pavlov
Regional Director
Policy & Coordination

oo

Indian and Northern Affairs Canada | Affaires indiennes et du Nord Canada

Your file Votre référence

July 10, 1991

Our file Notre référence
File: E4500-676

Mr Derik Griffin
Co-ordinator MPRP
Ministry of Regional and Economic Development
712 Yates Street
Victoria,B.C.
V8V 1X5

RECEIVED
JUL 17 1991

Dear Mr. Griffin

Re: Kitamaat - Terrace Port Proposal

I am writing to provide the comments of the Department of Indian and Northern Development (DIAND) on the Kitamaat-Terrace Port Proposal.

In summary, DIAND feels that the proposal has the potential for negative impacts upon the Traditional Aboriginal fishing rights of the Haisla people. DIAND feels that the proposed site for this development would remove important salmon and eulachon habitat which would reduce the number of fish produced by the system. DIAND supports the Department of Fisheries and Oceans rejection of the proposal at the given site on the basis of habitat loss and corresponding reduction of the Kitamaat fishery.

DIAND's concern is based on the Haisla's long-term economic and social dependence upon the health of the fishery of the Kitamaat river and estuary system.
The estuary habitat is essential to the rearing of juvenile Coho, Chinook and Oolichan before sea-migration. Although all five species of salmon along with sea-run trout(steelhead and cutthroat) are found in the Kitamaat river, it is the juvenile Coho and Chinook along with Oolichan that use estuary habitat for a period of growth prior to sea-migration. The Kitamaat runs of salmon are an important source of food and income for the Haisla as well other commercial fishermen.

Canada

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DIAND is not opposed to the concept of the proposal but merely the proposed siting of the development. The port proposal as given in the prospectus will cause the following impacts within the estuary:

1. Loss of Habitat

2. Physical Obstruction of Estuary
causing changes in water circulation in the estuary and Minette bay along with the distribution of nutrients micro-organisms important for primary production within estuary.

3. Dredging and Sediment Contamination
The question of sediment contamination has not been adequately addressed in the prospectus. For proper characterization core samples of one metre minimum depth needs to be analysed to take into consideration dredging.Also dredging of contaminated sediments will remobilize the buried contaminents throughout the water column exposing the resident species. It should be noted that the estuary is already closed to fishing for shellfish and crab due to dioxin contamination. Thus the potential for mobilization of dioxins through the aquatic food chain is high.

In summary the port proposal as given will cause the following :

- reduction of rearing habitat for juvenile salmon and oolichan
- obstruction of estuary and change of circulation patterns and change in primary production,
- reduced food supply
- increased competition for remaining resources
- reduced fish populations specifically coho,chinook and oolichan
- reduced catch
- finally reduced economic benefits to the Haisla and others.

For these reasons DIAND rejects the Kitamaat-Terrace Port Proposal as given, on the grounds that the proposed site will ultimately cause economic loss for the Haisla in the long-run.

sincerly

John Alexis

John Alexis
Environmental Analyst
Economic Development
c.c. Rabi Alam
Aida Tuck

Canada

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SKEENA-QUEEN CHARLOTTE REGIONAL DISTRICT

115 1st AVENUE WEST PRINCE RUPERT, B.C. V8J 4K8

ADMINISTRATION OFFICE 624-2002

FAX (604) 627-8483

PLANNING DEPT. 624-2008

YOUR FILE

OUR FILE

1009

File No. 1009
April 29, 1991

Mr. Frank Blassetti
Major Project Review Committee
Ministry of Regional and
Economic Development
712 Yates Street
Victoria, B.C.
V8V 1X4

Dear Mr. Blasetti;

In reference to your letter of April 12, 1991 the board has nominated Mr. Erminio Pucci, Economic Development Officer, with Mr. Bryce Barnewall, Administrator as an alternate, to attend the Major Project Steering Committee Meetings.

We welcome the opportunity to anticipate.

Yours truly,

B E Barnewall

B.E. Barnewall, C.M.C.
Administrator.

SKEENA-QUEEN CHARLOTTE REGIONAL DISTRICT

115 1st AVENUE WEST PRINCE RUPERT, B.C. V8J 4K8

ADMINISTRATION OFFICE
624-2002

FAX
(604) 627-8493

PLANNING DEPT
624-2008

Derek/Bob
- fyi/file
FB

YOUR FILE

OUR FILE

File No. 1009
April 24, 1991

Mr. Frank Blasetti
Co-Chairman
Major Project Steering Committee
Ministry of Regional And Economic Development
712 Yates Street
Victoria, B.C.
V8V 1X4

Dear Mr. Blasetti;

The Regional District welcomes the opportunity to become involved in the dialogue concerning the proposed Kitimat Port development. Other groups within this Regional District have already expressed their concerns including:

1) the loss of employment in the Prince Rupert area;
2) the potential negative impact this project may have on fish stocks;
3) that this project is being 'fast tracked' without adequate public input or evaluation; and
4) that this project may not be a good way to spend public funds. This submission will concentrate on the last point.

The development of world class port facilities at Prince Rupert has brought many benefits to both the Prince Rupert and the entire Northwest areas of the Province. The most obvious benefit has been the improvement of road and rail transportation infrastructure associated with the port. Jobs associated with these improvements have enhanced the economic diversification of Prince Rupert and Terrace. This first class port facility is a substantial benefit to the province and the country as it provides a viable alternative to the busy and congested Port of Vancouver. It enables the country to ship greater volumes and varieties of goods to the export market in a more timely and efficient manner. This benefit allows the province, and country, the opportunity to offer a greater range of options to potential domestic and foreign customers.

During the past decade the improvements in the transportation infrastructure in Northwest British Columbia have been significant but many problems remain such as the lack of a large local market for imported goods, ship support facilities and a limited variety of manufactured products originating in the service area. The addition of a port at Kitimat would further divide the market and would result in both ports being uneconomic.

We have reviewed the prospectus and the following are our comments:

1. The interests of the entire province and the Northwest portion of the province were overlooked in favour of the interests of one community.

2. The proposed facility duplicates the Fairview facility already at Prince Rupert, adding no new services to the Northwest. If the product is split, as anticipated in the report, an inconvenience will be placed on ships who have to move to two ports to get a full load. It is not clear if the so-called benefit of reduced shipping costs will accrue to local exporters or to foreign freight companies.

3. The one possible benefit that a Kitimat port has to offer is the reduced land distance for many exporters. While this advantage is clear for truckers,it is uncertain that there would be any savings for the more energy efficient railroad users. Even if the CN track to Kitimat was upgraded there are still obstacles to overcome before that rail line can match the Terrace-Prince Rupert line (gradient, curves, changing tracks at Terrace etc).

4. The marginal benefits the proposed Kitimat Port offers to truckers are offset by the costs that the diversion of traffic would impose on the Port of Prince Rupert. If the Port ceases to become profitable it will no longer have the resources to expand the services it offers to Northwest clients. Neither Prince Rupert nor Kitimat will have enough volume to attract additional port support facilities to the region.

5. The small skilled labour force required for both Ports would be fractured, resulting in inefficiencies and shortages.

6. A profitable operation is necessary to allow enough flexibility to anticipate and react to market forces. For example, the Port is currently working on hookups to allow fish reefer trucks to park their trailers at Fairview prior to shipment. Continued small improvements such as this can add up to major benefits for Northwest exporters.

Perhaps there is a niche for Port facilities in Kitimat that would provide new facilities and services for the Northwest economy. That niche will not be found by simply duplicating the facilities presently found in Prince Rupert. If public funds are to be used for the Kitimat Port development, the benefits of the project should be clear for the entire Northwest region and the province.

Yours truly,

B E Barnewall

B.E. Barnewall, C.M.C.
Administrator.

SKEENA-QUEEN CHARLOTTE REGIONAL DISTRICT

115 1st AVENUE WEST PRINCE RUPERT B.C. V8J 4K8

ADMINISTRATION OFFICE 624-2002

FAX (604) 627 8490

PLANNING DEPT. 624-2002

YOUR FILE

OUR FILE

File No. 1009
April 19, 1991

Ministry of Regional
and Economic Development
712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Mr. Bob Steele, Primary Industries Branch

Dear Mr. Steele;

Re: Kitimat-Terrace Port Project

In reference to Mr. Frank Blasetti's letter of April 12, 1991 I wish to express the boards thanks for including a member of our staff on the Major Project Steering Committee.

We are interested in sending a staff member to the MPSC meeting. The staff member will be named by the board at the regular meeting scheduled for April 26, 1991.

We are presently reviewing the feasibility report documents that were included with the letter and will forward our comments by the due date of April 26, 1991.

Yours truly,

B E Barnewall

B.E. Barnewall, C.M.C.
Administrator.

SKEENA-QUEEN CHARLOTTE REGIONAL DISTRICT

115 1st AVENUE WEST PRINCE RUPERT, B.C. V8J 4K8

ADMINISTRATION OFFICE 624-2002

FAX (604) 627-8493

PLANNING DEPT 624-2008

YOUR FILE

OUR FILE

File No. 1009
April 9, 1991

APR 12 1991

Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Griffin;

Re: Public Information meeting Kitimat Port Proposal

The Board of the Skeena-Queen Charlotte Regional District is very concerned about the Kitimat Port proposal and the potential for a negative inpact on the Port of Prince Rupert. In order to facilitate informed submissions regarding the proposed Port it is essential that:

a) A public information meeting be held in Prince Rupert;
b) Full disclosure be made of publically funded consultants report containing financial data, information about viability of the proposed port and its immediate and future markets;
c) Questions asked by concerned individuals, labour organizations, municipal governments and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society; and
d) The April 12, 1991 deadline for submissions be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing our concerns.

Yours truly,

B E Barnewall

B.E. Barnewall, C.M.C.
Administrator.

Regional District of Kitimat-Stikine

Suite 300,
4545 Lazelle Avenue,
Terrace, British Columbia
V8G 4E1

Tel (604) 635-7251
FAX (604) 635-9222

When replying please quote file no. _____

April 23, 1991

APR 26 1991 672

Ministry of Development, Trade and Tourism
712 Yates Street
Victoria, B.C.
V8V 1X5

Attention: Mr. Derek Griffin, Coordinator
Major Project Review Process

Dear Mr. Griffin:

Re: Kitimat-Terrace Port Project Prospectus

Enclosed are the comments of the Regional District of Kitimat-Stikine on the Kitimat Marine Terminal Prospectus. The Regional District supports an approval-in-principle decision for this project.

The comments contained in this evaluation pertain only to the project. The Regional District has some concerns about the jurisdiction and structure of the proposed port authority and of the environmental review process used in this instance. Comments on both issues will be forwarded to the appropriate government agency later. The Regional Board was quite specific that any comments submitted on the review process be constructive criticism, ideally leading to equitable and less emotionally charged reviews of subsequent projects.

I will be the Regional District representative attending the May 7th Steering Committee meeting.

Yours truly

Andrew Webber
Economic Development Officer

/aw

Encl.

Position Statement

KITIMAT-TERRACE PORT PROSPECTUS

Regional District of Kitimat-Stikine
April 1991

The Regional District of Kitimat-Stikine supports an approval-in-principle decision on the Kitimat Marine Terminal Proposal. The benefits of this project are expected to outweigh possible negative aspects and remaining issues and information requirements should be manageable during the permitting phase of this project.

Most impacts upon municipal services will be experienced within the District of Kitimat and the Regional District therefore defers comment upon these issues to the municipality. In any case, it is unlikely there will be population effects of significance that would require much, if any, investment in new services or infrastructure by local government.

Regional considerations include the potential for increased traffic on Highways 16 and 37 south. The Regional District expects this issue will be reviewed by the Ministry of Transportation and Highways as a normal part of the Ministry's evaluation of the project. Similarly, it is outside the jurisdiction and beyond the expertise of the Regional District to comment upon the methods proposed to compensate for lost fisheries habitat but the Region wishes to record that protection of fisheries values are consistently a priority.

The region also acknowledges that the project must be assessed in a broader context. Several large-scale industrial development projects are on the drawing board for the Kitimat-Terrace Corridor. Cumulative impacts should be manageable--this is an area where large-scale industrial development already exists--but must not be overlooked. Possible projects include the Kitimat-Skeena hydroelectric transmission line, C.N. Rail upgrading, methyl-tertiary butyl ether (MTBE) and a copper smelter/refinery complex.

Much criticism of the Kitimat Marine Terminal proposal centres upon the economics of the project. The diversion of goods, mostly lumber, and consequently jobs, from Prince Rupert to Kitimat in the early years of the Kitimat Port is one source of criticism. A second is that the port requires a public subsidy, with secondary aspects such as whether the port can be profitable, whether the provincial government can recover its original investment, and the lack of details on revenue sources and revenue distribution between the private, terminal operator and the provincial government. The recent release by the Kitimat-Terrace Port Society of the "Phase 2 Feasibility Report" should quieten some discontent arising from insufficient information.

The consultants who produced the Feasibility Report distinguish between quantifiable and non-quantifiable benefits. Among the more important measurable benefits are transportation cost savings to manufacturers and suppliers (lumber mills and mines) situated east along Highway 16. Improving the economic viability of these companies will be to the advantage of the larger region.

There are benefits from this project which are more difficult to quantify but must be considered in the review of the project. Establishment of a port at Kitimat would create competition in northwestern B.C. and encourage efficiency by terminal operators. In some instances, traffic could be diverted to the alternate port in the region should operations at one port be disrupted.

A most important non-quantifiable benefit is that development of a port at Kitimat facilitates major changes in the regional economy. A domino effect may be seen as investment in a series of large-scale industrial development projects follows creation of a port. From a $23 million public sector investment, far higher levels of capital investment could be forthcoming from the private sector. There is not unanimity in the northwest that an economy based upon heavy industry is appropriate for the Kitimat area but at least creation of a port allows the opportunity for an industrial future to be available should this be deemed in the public interest. Another way of looking at this issue is that by not developing the port, the highest economic value for land in the Kitimat area cannot be realized.

In closing, the Regional District wishes to record that it has strong misgivings about the prospect of an appointed authority acquiring jurisdiction over lands in the Terrace-Kitimat Corridor. In part, trepidation is a consequence of not knowing the final manifestations of a port authority and a provincial ports policy, but creation of an entity which may not be answerable to the local community is a source of anxiety. This issue is of importance to the Regional District, will be addressed separately in a submission to the B.C. government, and does not alter the Regional District recommendation for an approval-in-principle decision on the Kitimat Marine Terminal.

Regional District of

Bulkley Nechako

492 Alaska Drive
Yellowhead Hwy 16
Burns Lake, B.C.
V0J 1E0

Phone: (604) 692-3195
Fax: (604) 692-3305

Incorporated 1966

Postal Address:
Box 820
Burns Lake, B.C.
V0J 1E0

April 29th, 1991

RECEIVED
700
MAY 01 1991

DISTRICT OF KITIMAT
RECEIVED
MAY - 1 1991
Manager
FILE

District of Kitimat
270 City Centre
Kitimat, B.C.
V8C 2H7

Attention: Jim Gustafson
Municipal Manager

Dear Sir:

The following motion was passed unanimously by the Board of Directors of the Regional District of Bulkley-Nechako at the regular April 18th, 1991 meeting:

> "That the letter from the District of Kitimat dated March 26th, 1991 regarding a Kitimat-Terrace Port Proposal be received. Further, that this Regional District support the creation of a port at Kitimat."

Yours truly,

G. M. McIntyre
Administrator

GMM/gt

PEACE RIVER REGIONAL DISTRICT

Office of: The Administrator

RECEIVED
APR 23 1991 650

April 18, 1991

Mr. Frank Blasetti
Co-Chairman
Major Project Steering Committee
Ministry of Regional and Economic Development
712 Yates Street,
Victoria, B.C.
V8V 1X5

Dear Mr. Blasetti:

Re: Kitimat-Terrace Port Project

Thank you for your letter of April 12, 1991 inviting the Peace River Regional District's input and review of the Kitimat-Terrace Port Project through the Major Project Steering Committee.

Please be advised that the Regional District will not be appointing a representative.

Thank you for giving us the opportunity to comment.

Yours truly,

Faye Salisbury

for Moray Stewart
Administrator

Dnet/Bat
— fyi/file
FB

sg/(AAPR)

c.c. - Mr. Doug Dryden, Co-Chairman, Major Project Steering Committee, Ministry of Environment

PLEASE REPLY TO:
☐ P.O. BOX 810, DAWSON CREEK, B.C. V1G 4H8, TELEPHONE (604) 782-5891 or ZENITH 2770, FAX (604) 782-2718
☐ 9912 - 106 AVENUE, FORT ST. JOHN, B.C. V1J 2N9, TELEPHONE (604) 785-8084 or ZENITH 08922, FAX (604) 785-1125

RECEIVED
APR 19 1991

KITIMAT

DISTRICT OF KITIMAT
270 City Centre
Kitimat, British Columbia
Canada V8C 2H7

Phone (604) 632-2161
Fax (604) 632-4995

April 10, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, BC
V8V 1X5

Dear Mr. Griffin:

The Municipal Council of the District of Kitimat wishes to formalize its encouragement of the Kitimat-Terrace Port Society's proposal to construct a marine terminal at the head of Douglas Channel.

The concept of a public port is not a new idea, many studies have been done over the years. The Port Society initiative has now advanced this concept to a technical and sophisticated point where approvals are now being sought. Municipal Council regards this project to be very important to the continued prosperity of the community. A decade of planning, studies and information meetings have taken place. It is now the appropriate time to formalize the conditions under which development of a port in Kitimat can proceed.

Municipal Council urges the personnel associated with the M.P.R.P. to critically examine the prospectus and its supporting documentation. We deem the contents of the findings to be acceptable at a community level.

Yours truly,

Jim Gustafson,
Municipal Manager

JG:sab

RECEIVED
APR 23 1991
REGIONAL ECONOMIC
DEVELOPMENT BRANCH

KITIMAT

DISTRICT OF KITIMAT
270 City Centre
Kitimat, British Columbia
Canada V8C 2H7

Phone (604) 632-2161
Fax (604) 632-4995

April 18, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, BC
V8V 1X5

Dear Mr. Griffin:

Re: Kitimat Port Proposal

Please find enclosed two further letters received at our offices regarding the Port Proposal and the M.P.R.P. process.

Yours truly,

Jim Gustafson,
Municipal Manager

JG:sab

BANDSTRA ...SINCE 1955
TRANSPORTATION
SYSTEMS LTD.

MEMBER OF

RECEIVED
APR 1 8 1991
CITY OF TERRACE
by

April 16, 1991

Kitimat - Terrace Port Society
C/O Mr. Bob Hallsor
Clerk Administrator
City of Terrace
3215 Eby Street
Terrace, B.C.
V8G 2X8

Dear Sir:

In regards to the Kitimat - Terrace Port Society's proposal for a Public Marine Terminal at Kitimat, B.C., Bandstra Transportation Systems Ltd. fully supports this proposal enabling this area to achieve further growth and commercial development.

Yours truly,

J.(Stan) Turner
Bandstra Transportation
Terrace, B.C.

3111 BLAKEBURN ST., TERRACE, B.C. V8G 3J1 TEL: (604) 635-2728 FAX: (604) 635-7197

Ralph G. M. Sultan
7165 Rockland Wynd
West Vancouver, B.C. V7W 2L2

Director
Curragh Resources Inc

Telephone (604) 921-6002
Fax (604) 921 6009

BY FAX AND COURIER

April 11, 1991

Jim Gustafson
Municipal Manager
District of Kitimat
270 City Centre
Kitimat, British Columbia
Canada V8C 2H7

Re: Kitimat-Terrace Port Proposal

Dear Jim:

On behalf of Curragh Resources, I am pleased to submit this letter of support for the Kitimat-Terrace Port Proposal, as a supplement to the oral presentation made by myself on behalf of Curragh at the public meeting in Kitimat.

Curragh Resources is a Canadian-controlled lead-zinc-coal mining company with major mines in Yukon and Nova Scotia, and a large new mining project ("Stronsay") in Northeastern British Columbia which will be in production in the fall of 1992. Curragh has approximately 550 employees and is listed on the New York and Toronto stock exchanges, and includes among its shareholders such international companies as Mitsui, Boliden of Sweden, and ADZ of Spain. Our most recent annual report is attached.

For the past six months, Curragh has been surveying the port situation with respect to shipping mine concentrates to Europe and Asia from British Columbia. We have not yet determined the final British Columbia port through which the approximately 270,000 metric tonnes (wet) of concentrate from Stronsay will be shipped.

The approximately 550,000 metric tonnes of concentrate from our Yukon mines is shipped through Skagway, Alaska, an environmentally sensitive tourist town where we are proud to have created an essentially "zero discharge" environmentally clean operation which has received the commendation of the U.S. Environmental Protection Agency, the Occupational Safety and Health Administration, and the public health authorities of the State of Alaska, as well as Town officials. Learning from our successful Alaskan experience, we intend to operate a similarly clean operation at our British Columbia Port.

I believe the relevance of our Skagway experience for Kitimat-Terrace is that these two communities should be assured that mine concentrates can be shipped through environmentally sensitive areas

without adverse environmental impact.

Over the past six months, Curragh has examined the port alternatives available to it in considerable detail. Without getting into the pros and cons of each port alternative we can offer the following general comments in support of Kitimat-Terrace Port.

1. **British Columbia needs a second major port outlet for mine concentrates.** The mining industry, particularly base metals, continues to expand. The Inner Harbour of Vancouver is essentially operating at capacity. Recent policy statements suggest that future bulk commodity handling will be moved to the coal terminal at Roberts Bank but these facilities are not yet developed. If that is to be Vancouver's future commodity handling terminal, there are interchange inconveniences to B.C. Rail users because of the layout of the rail lines in the area. All of this suggests that mine concentrates originating in Northern British Columbia, will tend to look for another port facility elsewhere.

2. **Kitimat-Terrace offers the over-riding management advantage of the proposed local port authority.** This offers the potential of responsiveness to user needs when compared with dealing with more remotely controlled agencies elsewhere.

3. **Kitimat-Terrace does not at present have a mine concentrate loading operation and can therefore do it "right".** This has two dimensions: labour practices and environmental practices. On the first point, Curragh is not enthusiastic about the labour practices at certain ports and senses that community and labour attitudes at Kitimat would be more responsible. On the second point, Curragh, having previously inherited a "messy" terminal operation with considerable financial liability created by a previous operator at Skagway, is sensitive to the problem of entering into arrangements at ports which are not up the Curragh environmental standard and practices. Accordingly, the opportunity to create "from scratch" an environmentally clean operation, with cost-effective labour practices, at Kitimat-Terrace, has considerable appeal.

4. **Kitimat-Terrace has already accomplished a great deal in preparing the port design, environmental review, geotechnical survey, and other necessary work required before an expanded terminal operation can be commenced.** In Curragh's estimation the work performed and the studies presented are of excellent professional calibre. They go a long way toward answering questions inevitably raised about any new port proposal. We commend Kitimat and Terrace for its excellent and comprehensive proposal.

5. **For shippers of mine concentrate from Northern British Columbia, there is a slight mileage advantage in going to Kitimat in comparison with Prince Rupert.**

6. **Volume potential is considerable.** We judge that as much as one million metric tonnes per year of mine concentrates may be up "for grabs" in the years ahead. That concentrate could go through Kitimat-Terrace. We believe that the Price Waterhouse report, an otherwise excellent tonnage forecast, under-estimated this source of business.

Curragh recognizes that there are some obstacles yet to overcome, in particular the need for Canadian National Railway to upgrade the load capacity of bridges on the Kitimat-Terrace line. We are assured that such an upgrade will be forthcoming.

There is also, in our own particular case, the problem of timing. We intend, aggressively, to be in operation in the fall of 1992 which may not coincide with the start-up of any Kitimat-Terrace operation.

Regardless of which port Curragh ultimately selects, we believe that our experience, our attitudes, and our needs are parallel that of many other mining companies in northern British Columbia seeking a second mine concentrate outlet. All of this augurs well for Kitimat-Terrace in its port planning.

Curragh Resources Inc. supports Kitimat-Terrace in its plan to develop the port of Kitimat. Your project is well-conceived. Your port proposal would be good for British Columbia, good for the citizens of Kitimat-Terrace, and not incidentally, good for the mining industry.

Yours very truly,

Curragh Resources Inc.
Ralph G. M. Sultan
Director

the City of TERRACE

OFFICE OF THE MAYOR

559
APR 9 1991

TED Ref.

April 4, 1991

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional & Economic Development
4th Floor, 712 Yates Street
VICTORIA, B.C. V8V 1X5

Dear Sir:

I am writing to you today in support of the proposal by the Kitimat/Terrace Port Society for a marine terminal in Kitimat.

Access to markets is a vital consideration when establishing businesses in the north. The establishment of a second public port facility in the northwest will greatly enhance our efforts to attract businesses to the area. City Council foresees no negative impacts to the Terrace area and we feel that it will only enhance our city.

We encourage the MPRD Steering Committee to look upon this proposal favourably and approve this project in principle.

Very truly yours,

Moh Takhar
Deputy Mayor

MT:PM:lrr

3215 EBY STREET, TERRACE, B.C.
CANADA V8G 2X8
(604) 635-6311
FAX (604) 635-4744

CITY OF PRINCE RUPERT

424 WEST 3rd AVENUE
PRINCE RUPERT, B.C.
V8J 1L7

INCORPORATED MARCH 10, 1910

PHONE: (604) 627-1781
FACSIMILE NO.: 627-0999

FILE NO.:

675

April 25th, 1991

Frank Blasetti, Co-Chairman
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Mr. Blasetti;

Please find enclosed the submission and attachments from the City of Prince Rupert.

Sincerely,
CITY OF PRINCE RUPERT

Peter J. Lester
Mayor

Attached

675

CITY OF PRINCE RUPERT

SUBMISSION

TO

MAJOR PROCESS REVIEW PROCESS

APRIL 26,1991

INTRODUCTION

Why is the government in this period of high unemployment, heavy taxation, and operating with a substantial deficit, even considering spending tens of millions of dollars with the sole result of transferring 46 jobs from one community to another?

Canadian cargoes in search of an outlet led to the creation of the Port of Prince Rupert. The proposed development of a deep sea port at Kitimat defies sound economic principles. Development of a port facility at Kitimat would rob business from an existing port to benefit a new facility, generate no net gain for the region and create a port seeking cargo, rather than meeting existing demands of cargo seeking a port.

Based on all the information available regarding the proposed port in Kitimat, it is evident that there should be no more government involvement and no additional tax dollars spent on a marine terminal at Kitimat.

BUSINESS CASE

Investment of $63.5 million to create a Kitimat deep sea port represents a needless and wasteful expenditure of funds. Funding for the proposed project is to come from both government and the private sector. Money used for the construction of a redundant facility would be better spent on much needed services such as health care and education.

Although we have been provided few answers to questions asked at public meetings held in Terrace and Kitimat, we have been told Kitimat Port proponents support the commencement of work on the port infra-structure, and outlay of tax payer funds while a search for potential private sector investment is conducted. No information has been provided concerning any firms that have been approached, or any companies that have come forward to express an interest in operating the proposed facility.

The business rationale calling for provincial funding before commitment of private money must be questioned.

We question the wisdom for development of a redundant deep sea port at Kitimat, creating a situation where tax payers' money will be used to finance two competing facilities, stealing business from one to benefit the other, with no net immediate or future gain to the region.

Questions concerning the disposition of the port infra-structure if private funding for management and operation cannot be found remain unanswered.

Given a climate of economic certainty, private enterprise will often respond to demand by providing necessary investment capital. From all information currently available to us, there is no demand for a port at Kitimat. To the contrary, Fairview Terminals at Prince Rupert are operating at only 40 per cent maximum capacity moving lumber and lumber products from throughout north-western B.C.. Forecasts for the lumber industry do not show immediate or long term future growth.

Supporting our view concerning the current economic climate and future lumber forecasts is the first conclusion in section 12, page 12-1 of the Sandwell Kitimat-Terrace Port Study. In part, it states:

"1. The cargo forecasts of this study showed:

- A high probability that the Kitimat marine terminal will attract up to 500,000 tonnes a year of lumber and pulp traffic by 1996, most of which would otherwise go via Prince Rupert ... ."

This conclusion clearly proves initial business for the Kitimat Port would come directly from Fairview Terminals at Prince Rupert. The estimated 500,000 tonnes of lumber per year represents half the current throughput at Prince Rupert, which is currently operating at only 40 per cent maximum capacity.

There is no validity for a business decision calling for massive expenditures of both tax payer money and private investment to take 50 per cent of the business from Fairview Terminals and move it to Kitimat with no net gain to the regional economy.

The Sandwell Study assigns only moderate probability that pulp and other general cargo volumes will grow steadily beyond the level of business to be transferred away from Prince Rupert, making this already questionable business case all the more irrational.

There is no sound financial argument for splitting and shifting already limited business potential from an established, profitable facility at Prince Rupert to two separate facilities, destroying the profitable operation. Business forecasts predict no growth in the industries involved. Spending tax payer money to create two competing ports in a market that barely supports one existing facility defies sound business judgment.

The quality of information used as a basis for the proposed Kitimat Port is contradictory and confusing. For example, the Sandwell Study assigns a low probability to development of a copper smelter at Kitimat. The study then suggests development of some alternative, but unspecified heavy industry has a higher potential for development. The nature of this industry is not defined.

The study then makes use of economic forecasts based on the assumption of smelter development to justify positive financial results.

Questionable conclusions based on speculation and low probability events cannot be used to justify spending tens of millions of tax payers' dollars or as rational inducements for private sector investment.

The City of Prince Rupert does not have faith in projections from a consultant paid for by the proponents of the plan. Cost estimates given at the public meeting in Terrace by the proponents suggested over 20 million or more dollars of tax money are needed for infrastructure construction. Such cost estimates are often grossly underestimated.

Therefore, all of the projections are suspect.

There is a lack of information. We don't know of any arrangements with potential shippers, shipping lines, or port operators. The financial part of the consultant's report is being kept secret. Revenues can only be based on non-existent industries.

SOCIO-ECONOMIC IMPACT

No attention has been paid to the socio-economic impact on residents of the region outside the Kitimat-Terrace area. Studies concerning the residents of Stewart, Hartley Bay and Prince Rupert are non-existent. No further consideration should be given the Kitimat proposal until adequate studies have been carried out to identify the socio-economic impact on those living and working in the communities surrounding Kitimat.

Decisions involving the expenditure of massive sums of government funds cannot ignore substantial segments of the region's population; the social upheaval and the erosion of community tax bases that will result.

For example, the City of Prince Rupert has been told no attempt was made to solicit information about the impact of the proposed Port at Kitimat from the native community of Hartley Bay, 80 kilometers south, at the mouth of Douglas Channel. Of all those to be affected by the proposed development the residents of this small village face the greatest threat to their way of life, livelihood and heritage.

In a letter to the MPRP, read at a meeting in Prince Rupert on April 12, Darlene Cornell, Mayor of the District of Stewart relayed concerns she had about development of a Kitimat deep sea port and inaccuracies she had discovered in the prospectus.

The membership of Local 505 of the International Longshoremen's and Warehousemen's Union in Prince Rupert have told us they are angry no one has contacted them to determine what their opinion about the impact of the Kitimat port would be.

Since 1987 the ILWU has lost more than 40 per cent of it's work force. Those remaining in Prince Rupert have lost an average of 200 hours (five weeks) employment per man year. Few wage earners would find it acceptable to give up five weeks (nearly 10 per cent) of their annual earnings. In a time of high unemployment and higher taxes, of government restraint in unemployment benefits and social programs such a loss in employment and earnings has a severe effect on everyone involved. To further disrupt the lives of these and other workers for no other reason than to transfer jobs from one city to another at public expense is unconscionable.

To transfer 46 jobs from Prince Rupert to Kitimat, by spending tax payer dollars, would increase the tax base of one community by eroding the tax base of the other. It would be a wasteful and unnecessary expenditure of funds benefiting one community at the expense of the other. Rational justification of such a situation cannot be made.

If those affected by such a publicly financed transfer of jobs were unwilling to move to Kitimat, or if they were unable to obtain employment at the new facility, they would face long term unemployment and the regional pool of trained and experienced longshoremen and warehousemen would be significantly reduced.

The ILWU is also concerned with safety at the proposed Kitimat Port and the negative impact of adverse weather conditions at Kitimat.

With no information to the contrary, we believe this proposed expenditure of tens of millions of dollars will:

* — *generate no new jobs to the North Coast region*

* — *result in the transfer of existing jobs from one community to another*

* — *cause forced up-rooting of workers and their families resulting in potential social problems, and create potential long term unemployment for some workers involved*

* — *add to the tax base of Kitimat at the expense of Prince Rupert*

None of these socio-economic effects resulting from development of a deep sea port in Kitimat justify the expenditure of public funds.

NATIVE RIGHTS

No attempt was made to solicit information from the residents of Hartley Bay. The development of a deep sea port in Kitimat represents a threat to their livelihood, by increasing traffic in and around their traditional fishing grounds. Increased shipping traffic would enhance the potential for life threatening collisions between freighters and the local fishing fleet.

Additional native concerns have been raised by Gerald Amos, Chief Councillor of Kitamaat Village Council. In a letter to Derek Griffin dated April 11, 1991 Chief Amos voiced his concerns openly about the process of the development phase. He explained current non-participation in the process by his council — a member of the Kitimat Port Society — was based on the expectation that members of the society would be proponents of the project. His letter said, "Until our concerns are fully addressed, we are not prepared to be a proponent."

The City of Prince Rupert supports all native groups in their request for more information and the opportunity to be meaningfully involved in decisions that will ultimately impact on their employment, homes, ways of life, traditional food gathering and heritage. Thirty-seven per cent of the work force of Local 505 of the ILWU in Prince Rupert are native people.

We question the level of participation in the decision making process permitted native representatives on boards and committees taking part in the proposed development of a port at Kitimat. We question the efforts of Kitimat port proponents in soliciting information from the individuals, bands and tribal councils of native communities to be affected by the proposed ports' development. We question the quality of information provided concerning current and future native land claims.

ENVIRONMENTAL IMPACT

Little information has been made available concerning the environmental impact of the proposed port at Kitimat. We recently learned members of several native communities are upset with the prospect of dredging up sediment deposited in and around the mouth of the Kitimat River during the past 37 years by industries and the inhabitants of Kitimat.

The members of the Hartley Bay Band of the Tsimshian Nation have told us that soon after the development of Kitimat their traditional source of olachan at the mouth of the Kitimat River was destroyed. The flesh of the fish became unedible from the effluents of industry and the dumping of sewage. More development may mean more damage to the environment.

Highlighted in both the Sandwell Study and the Kitimat-Terrace Port Prospectus is the need to create up to 20 hectares of man-made intertidal marsh adjacent to the west shore of Minette Bay. In commenting on the initial impact of the construction of proposed port facilities the prospectus says impact on the environment will be severe.

This project involves destruction of a significant chunk of estuarine delta at the mouth of the Kitimat River, a prime fish bearing stream. Such deltas are very important to the entire ecosystem and are in short supply world wide. We do not believe the extent of the initial damage to habitat can be mitigated by building a "synthetic" copy of a marsh environment.

We question the long range effects on the estuary and Douglas Channel from the constant dredging that will be required to keep the port at sufficient depth to allow loading of deep sea vessels.

The marsh area to be destroyed during creation of the deep sea port facility is the result natural growth, death, natural bio-chemical activity and sedimentation and the process of evolution carried out over a period of hundreds or even thousands of years. Man's ability to replicate this natural environment by dredging, filling and planting of an area roughly as large as 60 football fields must be questioned.

IMPACT ON COMMERCIAL FISHERY, FISH PROCESSING PLANTS AND SPORTS FISHERY

A project of the scale of the proposed deep sea port at Kitimat will have serious implications for continued viability of the Kitimat estuary and its capacity to support important fish species such as chinook salmon. Marine terminal developments located in productive estuaries, such as the Kitimat River estuary, typically involve large-scale dredging and placement of structures, which together can change water circulation patterns that contribute to diminished biological productivity. Experience has shown that mitigation measures aimed at preventing or minimizing serious declines in habitant productivity are rarely successful.

Canada, with support from the Government of British Columbia, signed the Canada — U.S. Pacific Salmon Treaty five years ago. Under the treaty a commitment was made to rebuild depressed chinook salmon stocks. In order to accomplish this task the existence of estuarine habitant is essential. While alienation of an area within one estuary system may not appear significant to some, development of the Kitimat Marine Terminal would represent yet another step in the incremental loss of estuarine habitat that has occurred up and down the B.C. coast. This trend cannot continue if there is to be any hope of providing for sustainable fisheries resources in future years.

We strongly support the request by the Commercial Fishing Industry Council for the Government of British Columbia to conduct a complete and thorough review of the proposed marine terminal before rendering any decision that might allow the project to proceed.

The City of Prince Rupert is in complete agreement with CFIC's concerns about the proposed project's impact on federal fisheries resources, and we remind the MPRP the requirements of the Environmental Assessment and Review Process must be met.

Speaking in concert with the CFIC we stress under no circumstances can a project of the nature and scope of the Marine Terminal at Kitimat be allowed to be "fast-tracked" in the review process. The review must satisfactorily address the following elements:

1. Project justification

2. Environmental and Socio-Economic Assessment

3. Meaningful public involvement

To date we believe none of these elements have been acceptably dealt with by any of the Kitimat-Terrace Port proponents.

In addition we point out increased vessel traffic in and around the south of Douglas Channel and its approaches will negatively impact the Prince Rupert based fishing fleet. This fleet totals as many as 500 boats and supports four local fish processing plants that employ both full time and seasonal workers.

Fishing and fish processing are integral parts of the Prince Rupert economy. Short term reduced catches would be reflected in the revenues of our locally based fishermen, their crews, the fish processing plants and their employees.

Long term depletion of stocks caused by destruction of the Kitimat River estuary could have disastrous effects not only on the community of Prince Rupert, but also on neighboring communities that depend on the fishing industry.

No studies have been conducted concerning the impact damage or destruction of the Kitimat River estuary will have on the sports fisheries not only of Prince Rupert and surrounding communities, but of the communities of Kitimat and Terrace as well. We question whether any effort has been made to contact or solicit information from organizations representing professional fishing guides, companies offering fishing and fishing guide services and the tourist industry that depends on salmon fishing in the Kitimat River and its tributaries.

We encourage the MPRP to give further study to the impact of Kitimat Port development on the sports fishery industry of the region.

ECONOMIC BENEFITS AND GOVERNMENT SPENDING

In our view there are no realistic benefits accruing from the development of a deep sea port at Kitimat. Rates of return on investment in the project are unacceptably low or based on questionable and unjustifiable assumptions.

The proposed Kitimat Marine Terminal is supported by the Provincial Government and is politically rather than economically motivated. It has been endorsed publicly by the current Premier, the former Premier, the Minister of Crown Lands and MLA for Kitimat, the former Minister of Regional and Economical Development, the Cabinet Committee on Sustainable Development as well as the full Cabinet.

Governments are elected to hold and maintain positions of trust for their constituents. Based on the lack of information provided and lack of cooperation shown by MPRP in responding to the concerns of residents, businessmen and elected representatives of Prince Rupert and the District of Stewart and the lack of attention given to the native point of view it is difficult to have faith the process will function fairly.

We hope no other participants in this process will find it necessary to seek intervention from the Provincial Ombudsman in order to obtain information and assistance in participating in the Major Projects Review Process.

The quality of information provided is at best contradictory and frequently misleading rendering it impossible for a concerned person to make well informed and intelligent decisions about a multi-million dollar project that will ultimately effect the futures of two communities and the lives and future livelihoods of hundreds of residents of north western B.C..

The Kitimat-Terrace Port Committee, chaired by the Minister of Crown Lands, the Hon. Mr. Parker, has received all their funding, reported to total $400,000, from the Ministry of Regional and Economic Development, which provides a chair for the Major Project Review Process (MPRP).

Proponents of the project didn't follow MPRP Guidelines for the process. For example, MPRP Guidelines call for the Steering Committee to request financial feasibility analysis prior receiving government assistance or financing. This has not been done.

On November 29, 1988 the Premier and the Minister of Highways released the Delcan Study — A Transportation Planning Overview for the Province of British Columbia. This document was designated the basis for transportation planning in the province. In volume 3, "A Provincial Overview", pages six and seven, the suggestion is put forth that any participatory role for the Province be confined to the "Gateway Ports" of the Vancouver area and Prince Rupert.

"The Freedom to Move" transportation plan, based on the Delcan Study was unveiled by the government. A prominent feature of this policy was establishment of regional transportation task forces. The function of the task forces was to identify and prioritize the unique transportation needs of their Regions. In a document titled "Minister of State, North Coast Region, A Framework for Consensus", the North Coast, Region 6, Transportation Committee Recommendations listed identified projects in order of regionally perceived importance. Ratings were: primary importance, secondary importance and other projects. Development of a Marine Terminal at Kitimat was identified as a secondary importance issue.

A costly and lengthy period of transportation planning was concluded by publication of "Transportation in the 90's". In keeping with the original recommendations of the Delcan Study, this document cited the importance of being able to expand existing port facilities (Port of Prince Rupert) in Region 6.

Release of relevant documents or studies undertaken by the Kitimat-Terrace Port Commission, the Ministry of Regional and Economic Development, or undertaken jointly, and paid for by public funds have yet to be made public.

A further limitation to information on which to base decisions concerning proposed development of a marine terminal is introduced by the quality of information that has been made available. The Sandwell Study, report number 112466/3, dated 28 February 1991 contains contradictory assumptions concerning cargo forecasts.

Development of a copper smelter at Kitimat is assigned a low probability and is then used as the basis for positive financial projections. The smelter has yet to proceed through the MPRP, is heavily dependent on fluctuations in the world copper prices and financing for the project remains a critical question.

It is difficult to justify the assumption the smelter will ever be built and it is equally difficult to justify the "best case scenario" concerning the volumes of cargo to be shipped through Kitimat.

In their prospectus and in written comments to the District of Stewart, Orenda Pulp has stated approximately 50 per cent of production would be shipped through the Port of Stewart, with the remainder being trucked to Kitwanga for delivery to destinations east and south.

Further negating the need for a redundant deep sea port facility at Kitimat is the recent $ 34 millions expansion to Fairview Terminals in anticipation of increased lumber shipments. The expansion was done at no cost to and with no assistance from the provincial government. Forecasts recently revised by the Prince Rupert Port Corporation show a flat growth potential in lumber exports. With current operations at only 40 per cent maximum capacity Fairveiw can handle all foreseeable lumber shipments. Should there be an increase in volumes, Fairview terminals can again be expanded to both the north and south.

Such an expansion could easily accommodate increased lumber volumes, pulp, other forest products, concentrates and containers. Additional expansion room is also readily available at the newly purchased Westview site, which can be developed at very short notice.

We remind those involved with the MPRP the City of Prince Rupert has been working with officials from the Ministry of Transportation and Highways on the proposed Provincial Ports Policy. That policy is highly critical or areas where there are duplications, overlaps and inefficient use of resources.

As previously stated in this submission, and according to the Kitimat-Terrace Port Prospectus, development of a marine terminal would draw as much as 50 per cent of existing lumber shipments away from Prince Rupert. The net result would be creation of two publicly funded ports with insufficient cargo for profitable operations. Using public money to destroy the economic viability of an existing, publicly funded enterprise is unquestionably government fiscal mismanagement of the worst kind.

One outcome of such foolish fiscal folly would be loss of 46 existing full time longshoremen and warehousemen job equivalents resulting in reduced efficiency at Prince Rupert, inability to provide adequate labour pools to meet the demands of peak labour periods, creating slower loading and increased potential for ship delays.

The net result of this mismanaged money madness, if development at Kitimat proceeds, is massive amounts of tax payer money will be squandered to:

* — *transfer jobs from one community to the other*

* — *construct needlessly duplicated facilities*

* — *create competing facilities in a region barely capable of successfully supporting its one existing terminal facility*

* — *up-root families and disrupt lives of longshoremen for no rational business or socio-economic reason*

* — *create a situation where tax payers' money will be placed in direct competition with itself*

* — *develop a port facility that will ultimately cause itself and an already existing, profitable port to both become economic losers, each requiring government subsidies to remain in operation*

* — *Erode the existing tax base of Prince Rupert to benefit the tax base of Kitimat-Terrace while generating no net economic gain to the region*

Ironically, the Kitimat-Terrace prospectus and the Sandwell Study both outline limitations to available anchorage in Kitimat. Kitimat unlike Prince Rupert, is not a natural harbour. To ensure safety, only two anchorages will be available at the Kitimat facility. Sandwell suggests the best alternate anchorage is Prince Rupert — 198 nautical miles away and an already established port facility.

CITY OF PRINCE RUPERT

424 WEST 3rd AVENUE
PRINCE RUPERT, B.C.
V8J 1L7

PHONE: (604) 627-1781
FACSIMILE NO.: 627-0999

FILE NO.:

INCORPORATED MARCH 10, 1910

BY FAX: 356-9275

Chairman

Major Project Review Process

Ministry of Regional and Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8J 1X5

April 29th, 1991

Mr. Blasetti;

Please find enclosed the attachments to be presented with the City of Prince Rupert submission. These attachments were ommitted in original faximile.

Sincerely,
CITY OF PRINCE RUPERT

for Peter J. Lester
Mayor

Encl.

521 Cassiar Avenue
Prince Rupert, B.C.
V8J 3Z4

17 April 1991

Major Project Review Panel
c/o City of Prince Rupert
424 Third Avenue West
Prince Rupert, B.C.
V8J 1L7

Dear Sirs:

Subject: Proposed Port - Kitimat

Remember the question once asked (rightfully so!) of the NDP government regarding I.C.B.C? It was "if I.C.B.C. is so great, why is it a monopoly?". I would ask: if this proposed port is "so great" why the hurry to railroad the process through? Why wouldn't everyone be glad to review thoroughly, substantiate, document, and be open in order to convince everyone in the North it is right?

I am totally opposed to the building of a second port within the same economic zone as Prince Rupert. The Port of Prince Rupert is not yet used to its full capacity - to invest millions of dollars in another would be foolish business.

My primary request would be that the idea of a government funded port in Kitimat be shelved. Not only is it inappropriate to build another, it is also inappropriate that it will be government funded.

My secondary request would be that the Major Project review go through many steps without haste, that a public hearing be held in Prince Rupert, that the steering committee requests a feasibility study on the findings, and that an independent body audit the entire process so one arm of the government is not approving another.

Sincerely,

Sue Russell (Mrs.)

Province of
British Columbia

Ministry of
Regional and
Economic Development

712 Yates Street
Victoria
British Columbia
V8V 1X5

To: MPRP Government Agency Representatives

Date: March 4, 1991

Re: Kitimat-Terrace Port Society Prospectus Review

The Kitimat-Terrace Port Society proposes to develop a public marine terminal in Kitimat. In accordance with the Major Project Review Process (MPRP), the Kitimat-Terrace Port Society has submitted a Prospectus to the Major Project Steering Committee (MPSC) for public and government review.

The public has been given until April 12, 1991, to review the Prospectus document and submit written comments to the MPRP Coordinator. Public information meetings are scheduled for March 18 in Kitimat and March 19 in Terrace.

Government agencies are requested to provide comments on the Prospectus document by Friday, April 26, 1991 to:

Mr. Derek Griffin
Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
4th Floor, 712 Yates St.
Victoria, B.C. V8V 1X5
Tel: 387-0244 Fax: 356-9275 or 356-8212

In reviewing the Prospectus document, please outline your agency's position with respect to project plans, potential impacts associated with the project and the adequacy of proposed mitigative measures. Please also identify all regulatory requirements which the proponent will have to meet, and potential conditions for approval. Finally, each review agency is requested to provide its recommendation with respect to the granting of approval-in-principle, rejection of the project, or the need for further assessment under the MPRP, and, in the case of federal agencies, the need for further assessment under EARP.

If you have any questions on the above, please do not hesitate to contact the undersigned (387-0244).

Yours sincerely,

Derek Griffin
Coordinator
Major Project Review Process

Enclosure

Province of
British Columbia

Ministry of
Regional and
Economic Development

712 Yates Street
Victoria
British Columbia
V8V 1X5

PREVIOUSLY FAXED
DATE: Apr. 11/91

April 11, 1991

His Worship Peter Lester
Mayor of the City of Prince Rupert
424 West 3rd Avenue
Prince Rupert, British Columbia
V8J 1L7

Dear Mayor Lester:

This is to confirm that the City of Prince Rupert has until April 26, 1991, to submit its comments on the Kitimat-Terrace Port Society Prospectus. This is in accordance with my letter to MPRP government agency representatives, dated March 4, 1991, a copy of which was sent by courier with the Prospectus documents to Mr. J.D. Mussallem, City Clerk, on March 6, 1991.

The April 12, 1991, deadline applies to comments from the public. MPRP government agencies are given the extra two weeks in order to respond to any issues raised by the public related to their mandate. The proponent is also given the opportunity during this two week period to address any issues raised by the public in advance of the Major Project Steering Committee review and decision on the Prospectus. Copies of the public comments will be sent to the City of Prince Rupert early in the week of April 15th for your review.

If you have further questions about the review process, please call me at 387-0244.

Yours sincerely

Derek Griffin
Coordinator
Major Project Review Process

CITY OF PRINCE RUPERT
APR 16 1991
CITY CLERK'S OFFICE

APRIL 12. 1991

MR. FRANK BLASATI
CHAIRMAN
MAJOR PROJECT REVIEW PROCESS
MINISTRY OF REGIONAL AND ECONOMIC DEVELOPMENT
4TH FLOOR. 712 YATES ST.
VICTORIA. B.C. V8V 1X5

DEAR SIR:

I AM WRITING REGARDING MY CONCERNS ABOUT THE KITIMAT MARINE TERMINAL AS A ALDERMAN. MEMBER OF THE NORTH COAST ADVISORY COUNCIL AND AS A PRIVATE CITIZEN.

THE PROSPECTUS INDICATES AT LEAST INITIALLY THAT 300.000 TONNES OF LUMBER NORMALLY SHIPPED THROUGH PRINCE RUPERT WOULD BE DIVERTED TO KITIMAT. THIS ACCOUNTS FOR 40 TO 50 PERCENT OF THE TONNAGE OF LUMBER SHIPPED THROUGH FAIRVIEW IN PRINCE RUPERT WHICH IMPACTS GREATER THAN THE APPEARANCE OF 33 OF THE TOTAL TONNAGE THROUGH PRINCE RUPERT AS COAL AND GRAIN ARE NOT BEING CONSIDERED. FAIRVIEW TERMINAL WAS RECENTLY EXPANDED BY ONE BERTH AFTER 18 YEARS AS A MULTI PURPOSE TERMINAL AND WITH CURRENT MARKET CONDITIONS IS SHIPPING AT 40% CAPACITY.

THE EXPANSION OF FOREST PRODUCTS SUCH AS PULP MAY NOT BE AS GREAT AS EXPECTED AS THE ORIENDA PULP MILL NEAR STEWART HAS INDICATED IN THEIR PROSPECTUS THEY WILL SHIP OUT OF THE PORT OF STEWART NOT KITIMAT. SOME OF THE FUTURE CARGOES AS MINERAL CONCENTRATES WILL HAVE TO BE SHIPPED VIA PRINCE RUPERT BECAUSE THEY WILL BE TOO HEAVY TO SEND BY RAIL TO KITIMAT EVEN WITH RAIL UPGRADES IMPLEMENTED. PRODUCTS OF THE COPPER SMELTER AT PRESENT HAVE A LOW PROBABILITY OF BECOMING FUTURE CARGOES. THE SOMEWHAT LIMITED CARGO FROM PRINCE RUPERT WILL NOT MAKE A TWO BERTH TERMINAL FEASIBLE WHICH THE PROPONENTS STATE ARE NECESSARY TO MAKE THE PROJECT LONG TERM FINANCIALLY VIABLE. LUMBER AND PULP FROM OTHER AREAS CURRENTLY GOING TO SOUTHERN PORTS ARE NOT ECONOMICALLY VIABLE TO COME TO THE NORTH. EIGHTY THOUSAND TONNES OF LUMBER AND PULP FROM SOUTHERN PORTS THAT IS DESTINED TO BE DIVERTED TO KITIMAT IS LIKELY NOT PROBABLE BECAUSE THE SIXTY MILES OF DIFFERENCE BETWEEN KITIMAT AND PRINCE RUPERT DOES NOT SIGNIFICANTLY CHANGE THE ECONOMIC SCENARIO. IT SHOULD BE NOTED THAT THE SUSTAT TAKLA T.F.L. THAT IS CURRENTLY DESTINED FOR THE PRINCE GEORGE AREA WILL SEE THE PORTS OF SQUAMISH AND VANCOUVER THE BENEFACTORS.DUE TO A GOVERMENT DECISION WHICH DID NOT HAVE THIS PRODUCT GO THRU PRINCE RUPERT'S TERMINAL. SO THEREFORE THIS MAKES THE KITIMAT PROPOSAL SEEM EVEN MORE UNECONOMICAL.THE PROJECTIONS OF INCREASED LUMBER AND PULP SOURCES COMING FROM THE HINTERLAND OF THE PACIFIC NORTHWEST AS PROJECTED BY THE PRINCE RUPERT PORT CORPORATION ARE MINIMAL IN THE NEXT FEW YEARS.

THE STATEMENT THAT EACH PORT WOULD PROVIDE AN ALTERNATIVE IF ONE

SHOULD BE CLOSED IS NOT THAT IMPORTANT AS MOST PORTS ALREADY REQUIRE BACK UP LAND TO STORE A WEEK OR TWO SUPPLY OF LUMBER OR PRODUCT. NO SHIPPING LINE IS LIKELY TO GO FROM ONE PORT TO ANOTHER TO RETAIN A FEW TONNES OF CARGO.

NO SEASIDE STUDIES HAVE BEEN DONE TO DATE TO IDENTIFY SHIPPING LINES INTERESTED IN USING SUCH A FACILITY. IDENTIFY HAZARDOUS OBSTACLES TO SHIPPING. PILOTAGE REQUIREMENTS AND THE MAXIMUM NUMBER OF SHIPS THAT COULD BE SAFELY HANDLED BY THE PORT OF KITIMAT. PILOTAGE COSTS MAY BE HIGH AS ~~THREE~~ TWO PILOTS ARE REQUIRED TO PILOT SHIPS FROM TRIPLE ISLAND TO KITIMAT VERSUS ONLY ONE FOR PRINCE RUPERT. ARE SHIPPING LINES WILLING TO BEAR THE COST? DOES REDUCED CARGOES SPREAD OUT OVER TWO PORTS MAKE IT POSSIBLE THAT SOME SHIPPING LINES MAY BYPASS THE NORTH? ANCHORAGHES IN THE PROSPECTUS ARE LIMITED . HAS ANY STUDY BEEN DONE TO INDICATE IF THIS WILL REDUCE THE EFFICIENCY OF THE UPPER LIMITS OF 350 SHIPS USING THIS PORT IN THE FUTURE ? THE UPPER LIMITS AS AN EXAMPLE OF PRINCE RUPERT PORT ARE MUCH HIGHER.THE DOUGLAS CHANNEL IS LONG AND NARROW IN CERTAIN AREAS.IS THIS LIKELY TO CAUSE SHIPPING INSUFFICIENCES?

SNOWFALL AND ICE ARE MENTIONED IN THE PROSPECTUS TO BE SIGNIFICANT IN KITIMAT FOR AT LEAST FOUR TO FIVE MONTHS PER YEAR.LONGSHOREMEN INDICATE THAT THIS HAS A SIGNIFICANT IMPACT IN MOVING LUMBER AND GREATLY SLOWS DOWN PRODUCTION DURING THESE TIMES.THIS WOULD BE OF GREAT NOTE IN REGARDS TO KITIMAT AND ONLY SLIGHTLY SIGNIFICANT IN PRINCE RUPERT.THEY TELL ME THAT IT IS VERY COMPARABLE TO TRYING TO MOVE ICE CUBES ON A METAL SPATULA UNDER THESE CONDITIONS.THIS MAY CREATE HAZARDS TO EMPLOYEES AND SLOW THE MOVEMENT OF THE PRODUCT IN THE WINTER MONTHS.

NO TERMINAL OPERATOR (S) HAVE BEEN IDENTIFIED AND WHETHER THEY WOULD REQUIRE SUBSIDIES UNTIL TWO BERTHS ARE FUNCTIONAL AND THE PROJECT BECOMES A FINANCIAL VIABLE ENTITY. IF NO OPERATORS ARE INTERESTED OR CAN SHOW FINANCIALLY SECURE BUSINESS PLANS THEN THE PROJECT MAY REQUIRE CONTINUED GOVERNMENT SUPPORT IN THE FORM OF SUBSIDIES. LOAN GUARANTEES. ETC...THE PROPOSAL IN THE PROSPECTUS REQUIRES SUBSTANTIAL INPUT OF PUBLIC FUNDS TO ENSURE DEVELOPEMENT SURVIVAL IN THE EARLY STAGES.

THE PROPONENTS AT THE LOCAL INFORMATION MEETINGS INDICATED THAT NO COST BENEFIT STUDIES HAD BEEN PERFORMED TO INDICATE IF THE NET ECONOMIC BENEFIT TO THE NORTH COAST REGION IS POSITIVE OR NEGATIVE. THE GAINS TO KITIMAT AND LOSSES TO PRINCE RUPERT AND POSSIBLE GAINS AND LOSSES IN THE STEVEDORING AND TRANSPORTATION COMPANIES SHOULD BE IDENTIFIED TO SEE IF THE 63 MILLION DOLLARS EXPENDITURE BY THE PUBLIC AND PRIVATE SECTOR IS WARRANTED.

AS A MEMBER OF THE REGIONAL ADVISORY COUNCIL I HAVE OBSERVED THAT THE TRANSPORTATION AND PLANNING TASK FORCE HAS PRODUCED A REPORT IN THAT THE COMMUNITIES OF THE NORTH WEST JUDGED THIS PROJECT AS A LOW "B" PRIORITY ITEM IN ITS IMPORTANCE TO THE ECONOMIC DEVELOPMENT OF OUR REGION. THIS PROJECT HAS THE APPEARANCE THAT IT WAS ELEVATED IN IMPORTANCE FOR THE SHORT TERM GAIN OF A LOCAL POLITICIAN. ALSO OF NOTE IS THAT B.C. GOVERNMENT PORTS POLICY AS OF 1990 INDICATED IT WAS NOT POLICY TO SPEND FUNDS TO DEVELOPE A FACILITY TO COMPETE FOR THE SAME PRODUCT SHIPPED BY AN EXISTING FACILITY. THE PROSPECTUS INDICATES THAT THE PORT WOULD HAVE CONSIDERABLE REDUNDANCY TO FACILITIES IN PRINCE RUPERT. I WOULD SAY THIS IS CONTRARY TO EXISTING B.C. PORT POLICY. AS A MEMBER OF THIS COMMITEE I PLAN ON MOVING FOR A STUDY ON THE NET ECONOMIC BENEFIT THAT A TERMINAL IN KITIMAT WOULD HAVE ON THE WHOLE NORTH COAST REGION.MY COLLEAGUES HAVE NOT HAD A CHANCE TO PERUSE THIS IDEA DUE TO A LACK OF RECENT MEETINGS.

IN SUMMARY I FEEL THAT THIS PROJECT PROSPECTUS DOES NOT DEFINITELY IDENTIFY NEW CARGO OR A MARKET NICHE NOT ALREADY BEING ADEQUATELY HANDLED BY THE PORT OF PRINCE RUPERT. I FEEL IT SHOULD BE NOTED PRINCE RUPERT IS NOT NEAR CAPACITY AND WILL LIKELY NOT BE IN THE FORSEEABLE FUTURE. THE DEVELOPMENT OF THE KITIMAT PORT MAY CREATE TWO UNECONOMIC ENTITIES THAT WILL NEED SUPPORT FROM TWO LEVELS OF GOVERNMENT WHICH SHOULD BE NOTED ARE SUPPORTED BY THE SAME TAXPAYER. I FEEL AT THE VERY LEAST THIS REQUIRES FURTHUR STUDY AS INDICATED IN MY BRIEF AND CERTAINLY LEAVES TOO MANY UNANSWERED QUESTIONS FROM PURELY ECONOMIC REASONS TO RECEIVE APPROVAL IN PRINCIPLE AT THIS TIME.

THANK YOU FOR YOUR TIME TO PRESENT MY VIEWS AND CONCERNS ABOUT THIS PROPOSAL.

SUBMITTED BY PAUL KENNEDY
544 CASSIAR AVE..
PRINCE RUPERT. B.C.
V8J 3Z5

Paul Kennedy

NORTHERN PROCESSORS ASSOCIATION

Aero Trading Co. Ltd.
British Columbia Packers Ltd.
Canadian Fishing Company
J.S. McMillan Fisheries Ltd.
Ocean Fisheries Ltd.
Prince Rupert Fishermen's Cooperative Association

April 12, 1991

Mr. Frank Blasetti
Co-Chairman Major Projects Review Panel
Ministries of Economic Development and Environment
3rd Floor, 777 Broughton Street,
Victoria, B.C.
V8V 1X5

Via Fax No. 356-8212

Dear Mr. Blasetti:

RE: Proposed Kitimat Marine Terminal.

The Northern Processors Association consists of the six largest fish processors on the North Coast. We are therefore very concerned about the environmental impact the proposed terminal will have on fish stocks utilizing the Kitimat River and estuary. We are particularly dismayed that this project is being pushed forward before an environmental impact study is completed.

You should note that the Governments of Canada and British Columbia have been working with the United States under the auspices of the Canada/U.S. Salmon Treaty to rebuild chinook stocks along our coast. Furthermore, fishermen and processors have suffered through many years of cutbacks in fishing time to aid in the rebuilding of these depressed chinook stocks.

The Kitimat River and its adjacent habitat support an important chinook run which has been carefully and painfully rebuilt over the last decade. It therefore greatly disturbs us that this port project is being pushed ahead, threatening the local environment, at a time when we are beginning to see the positive results of both the local and international commitment to the rebuilding of the Kitimat chinook stocks.

Yours truly,
NORTHERN PROCESSORS ASSOCIATION

Taylor

Greg Taylor,
President

P.O. Box 550, Prince Rupert, B.C. V8J 3R5 PH. (604) 624-9835

cc: Mr. John Fraser, Speaker - House of Commons
Mr. Bernard Valcourt - Minister of Fisheries and Oceans
Mr. Harry DeJong - Minister of Agriculture and Fisheries
Mr. Peter Lester - Mayor of Prince Rupert
Mr. Dan Miller - M.L.A.
Mr. Jim Fulton - M.P.
Mr. Mike Hunter - Fisheries Council of British Columbia

GT:klr

P.O. Box 460, Prince Rupert, B.C. V8J 3R2 Ph. (604) 624-9635

COMMERCIAL FISHING INDUSTRY COUNCIL

4th Floor - 845 Cambie St., Vancouver, B.C., V6B 2P4 (604)669-2922 FAX (604)683-9148

Deep Sea Trawlers Accoc. of B.C.
Fisheries Council of B.C.
Fishing Vessel Owners' Assoc. of B.C.
Gulf Trollers Assoc.
Native Brotherhood of B.C.
Northern Trollers Assoc.
Nuu-chah-nulth Fisheries Council
Pacific Black Cod Fishermen's Assoc.
Pacific Coast Fishing Vessel Owners Guild
Pacific Gillnetters Assoc.
Pacific Seafood Council
Pacific Trollers Assoc.
Prince Rupert Cooperative Fishermens Guild
Prince Rupert Fishermens Cooperative Assoc.
Prince Rupert Fishing Vessel Owners' Assoc.
United Fishermen & Allied Workers Union

11 April 1991

BY FAX: 356-8212
Mr. Frank Blasetti
Co-Chairman, Major Project Review Panel
Ministries of Regional Economic Development
and Environment
3rd Floor - 777 Broughton Street
Victoria, B.C. V8V 1X5

Dear Mr. Blasetti:

Re: Proposed Kitimat Marine Terminal

The proposed Kitimat Marine Terminal development was discussed by the Commercial Fishing Industry Council (CFIC) at its meeting today. CFIC members expressed concern that this proposal was being rushed through the Major Project Review Process by the project proponents and certain elements within the Government of B.C. A project of this scale will have serious implications for the continued viability of the Kitimat estuary and its capacity to support important fish species such as chinook salmon. Marine terminal developments located in productive estuaries, such as the Kitimat River estuary, typically involve large scale dredging, and placement of structures, which together can change water circulation patterns that contribute to diminished biological productivity. Experience has shown that mitigation measures aimed at preventing or minimizing serious declines in habitat productivity are rarely successful.

Canada, with support from the Government of British Columbia, signed the Canada-U.S. Pacific Salmon Treaty five years ago. Under the Treaty a commitment was made to rebuild depressed chinook salmon stocks. In order to accomplish this task the existence of estuarine habitat is essential. While alienation of an area within one estuary system may not appear to be significant to some, development of the Kitimat Marine Terminal would represent yet another step in the incremental loss of estuarine habitat that has occurred up and down the B.C. coast. This trend cannot continue if there is to be any hope of providing for sustainable fisheries resources for all user groups in future years.

The Commercial Fishing Industry Council therefore calls upon the Government of B.C. to conduct a complete and thorough review of the proposed marine terminal project prior to rendering any decision which might allow the project to proceed. Moreover, because of the concerns regarding impacts accruing to federal fisheries resources, the requirements of the federal Environmental Assessment and Review Process must be met. Under no circumstances can a project of this nature be allowed to move through a 'fast track' type of review process. Specifically, the review must address the following elements:

- Project Justification;
- Environmental and Socio-Economic Impact Assessment; and
- Meaningful Public Involvement.

. . . /2

We wish to be kept informed of any and all developments regarding the review of this project and, therefore, request that we be placed on your mailing list.

Yours very truly

R. Scott Hanna
Secretariat Manager

cc Hon. John Fraser, Speaker, House of Commons
Hon. Bernard Valcourt, Minister of Fisheries and Oceans
Hon. Harry DeJong, B.C. Minister of Agriculture and Fisheries
Mr. Paul Scott, Federal Environmental Assessment and Review Office
Mr. Derek Griffin, Regional Economic Development
Mr. Peter Lester, Mayor of Prince Rupert
Mr. Dan Miller, M.L.A.
Mr. Jim Fulton, M.P.

Dan Miller

MLA, Prince Rupert
Legislative Buildings
Victoria, B.C. V8V 1X4
Telephone: (604) 387-6097
Fax: (604) 387-0827

CONSTITUENCY OFFICES:
818B THIRD AVENUE WEST
PRINCE RUPERT, B.C. V8J 1M6
TELEPHONE: (604) 624-6007
FAX: (604) 627-0523
QUEEN CHARLOTTE ISLANDS
TELEPHONE: (604) 559-8379

To: Mayor Peter Leslie.

- ☐ For your information
- ☐ Attach file and return
- ☐ Reply directly
- ☐ See me about this
- ☐ Please investigate
- ☐ Note and file
- ☐ Draft

I've sent this directly to M.P.R.P. but you should include it with the City's submission.

Alan.

Recycled Paper

0685F-1

April 18, 1991

Mr. Frank Blassetti and Mr. Doug Dryden,
Co-Chairmen,
Major Project Review Process,
Ministries of Regional and Economic Development and
Environemnt,
3rd Floor, 777 Broughton Street,
Victoria, B.C.
V8V 1X4

Dear Sirs,

Re: Proposed Kitimat Port Development

I list for your consideration, my objections to this proposal, which is a waste of taxpayers' money, and which would have a severe negative consequence on the economy of the northwest coastal and interior region.

At the outset, I would like to repeat the contention I made at the public meeting in Prince Rupert on April 9, 1991, that the Major Project Review Process (M.P.R.P.) is restricted in its ability to analyze this proposal on its economic merits.

This proposal is very clearly supported and, in fact, initiated by the provincial government. It is politically, rather than economically, inspired and has been publicly endorsed by the former Premier, the current Premier, the Minister of Crown lands and MLA for Kitimat, the former Minister of Regional and Economic Development, and the Cabinet Committee on Sustainable Development, as well as the full Cabinet.

The Kitimat-Terrace Port Committee, chaired by Mr. Parker, has received all of their funding, a reported $400,000, from the Ministry of Regional and Economic Development, which is co-chair of the M.P.R.P.

Although the M.P.R.P. guidelines call for the Steering Committee to request a financial feasibility analysis prior to government assistance, or publicly financed infrastructure being committed, this has not been done despite the fact that the proposal, in addition to the $400,000, calls for a government expenditure which, in my view, approaches $50 million.

../2

Recognizing this clear dilemma faced by the M.P.R.P., I nonetheless offer the following points (not ranked in order of importance).

1. Having followed government activities in transportation planning since 1986, I find that this proposal is inconsistent with the government's own studies.

(a) A Transportation Planning Overview for the Province of British Columbia is a major 18 volume study by Delcan, which was the basis for transportation planning in this province, as announced by the Premier and Minister of Transportation and Highways on November 29, 1988. On pages 6 - 7, Volume 3, "A Provincial Overview", it is suggested that any participatory role (for the Province) should be confined to the Gateway Ports of the Vancouver area and Prince Rupert.

(b) Using the Delcan study as a base, the government announced their Freedom to Move transportation plan for British Columbia. The most prominent feature of this policy was the establishment of regional transportation task forces to assess and prioritize the transportation needs of their regions. I would draw the M.P.R.P.'s attention to a document entitled: "Minister of State, North Coast Region, A Framework for Consensus". The North Coast, Region 6, Transportation Committee Recommendations list projects in order of importance under a primary rating, a secondary rating, and other projects. Development of Port facilities at Kitimat received a secondary rating.

(c) The culmination of this lengthy and costly transportation planning exercise was the publication of "Transportation in the 90s", which in the case of Region 6, referred to the ability to expand existing port facilities. In this respect, the report was consistent with the recommendation by Delcan referred to in (a) of this submission.

../3

2. All relevant documents and studies undertaken by the Kitimat-Terrace Port Commission and/or the Ministry of Regional and Economic Development which were paid for by the provincial government have not been made public.

3. The Sandwell Study is seriously flawed in its assumptions of cargo forecasts:

(a) Sandwell assumes that the proposed Orenda will proceed and that 100% of its production will go through Kitimat. Given that Orenda has yet to proceed through the M.P.R.P., and that financing remains a critical question, it is difficult to justify the assumption that the mill will be built.

As well, Orenda, in their prospectus and in written commitments to the District of Stewart, has stated that approximately 50% of their production would be shipped out of the Port of Stewart, with the rest being trucked to railhead at Kitwanga for delivery east or south.

4. Although the Fairview Terminal recently underwent a $38 million expansion in anticipation of increased lumber shipments, revised forecasts by the Port of Prince Rupert indicates a very flat growth in lumber exports. Currently operating at 40% capacity, the Port of Prince Rupert can handle all foreseeable lumber shipments.

5. If Kitimat is developed according to the proposal, they will take approximately one-half of Fairview's current lumber shipments, creating a situation of two publicly financed ports with insufficient cargo.

6. The Kitimat port proposal is extremely poor; in fact, the worst example of public expenditure policy I have ever heard of. Using public funds to undercut the economic viability of an existing publicly-funded business is sheer lunacy, and a beggar-thy-neighbour policy.

.../4

7. The net result, if the Kitimat proposal proceeds, is that a massive amount of public funds will be used to transfer jobs from one community to another in the same region. If $50 million is the eventual cost to the B.C. taxpayer, the government would be spending in excess of $1 million per job for this transfer.

8. The proposed loss of 40 longshore jobs from Prince Rupert will severely impair the efficient operation of the Rupert port in that less gangs can be mounted for peak demand, creating slower loading and possible ship delays.

9. Unlike Prince Rupert, Kitimat has no natural harbour, and limited anchorage. In an ironic note, the Sandwell study points out that the nearest safe anchorage for ships awaiting loading at Kitimat is Prince Rupert.

10. Although I am not personally qualified to assess the environmental impact, in discussions I have had with people in the fishing industry, they have expressed fears about the impact this proposal has on fisheries habitat.

11. From a regional viewpoint, a much more modest port development at Stewart would greatly assist in stabilizing that community's economic base and would contribute to the development of solid wood processing versus the current round log export.

12. Although a massive public expenditure on infrastructure is being proposed, it is apparent that no private investor has been secured to actually build and operate the docking facilities at Kitimat.

There are many other points that require examination and analysis and, no doubt, other submissions will cover points that I have missed.

Yours very truly,

Dan Miller, MLA
Prince Rupert

DM/af

SKEENA-QUEEN CHARLOTTE REGIONAL DISTRICT

115 1st AVENUE WEST PRINCE RUPERT, B.C. V8J 4K8

ADMINISTRATION OFFICE 624-2002

FAX (604) 627-8493

PLANNING DEPT 624-2008

YOUR FILE

OUR FILE

File No. 1009
April 24, 1991

Mr. Frank Blasetti
Co-Chairman
Major Project Steering Committee
Ministry of Regional And Economic Development
712 Yates Street
Victoria, B.C.
V8V 1X4

Dear Mr. Blasetti;

The Regional District welcomes the opportunity to become involved in the dialogue concerning the proposed Kitimat Port development. Other groups within this Regional District have already expressed their concerns including:

1. the loss of employment in the Prince Rupert area;
2) the potential negative impact this project may have on fish stocks;
3) that this project is being 'fast tracked' without adequate public input or evaluation; and
4) that this project may not be a good way to spend public funds. This submission will concentrate on the last point.

The development of world class port facilities at Prince Rupert has brought many benefits to both the Prince Rupert area and the entire Northwest area of the Province. The most obvious benefit has been the improvement of road and rail transportation infrastructure associated with the port. Jobs associated with these improvements have helped the economic diversification of Prince Rupert and Terrace. This first class port facility is a substantial benefit to the province and the country as it provides a viable alternative to the busy and congested Port of Vancouver. It enables the country to ship greater volumes and varieties of goods to the export market in a more timely and efficient manner. This benefit allows the province, and country, the opportunity to offer a greater range of options to potential Domestic and foreign customers.

During the past decade the improvements in the transportation infrastructure in Northwest British Columbia has been significant but many problems remain,such as the lack of a large local market for imported goods, ship support facilities and a limited variety of manufactured products originating in the service area. The addition of a port at Kitimat would further divide the market and would result in both ports being uneconomic.

We have reviewed the prospectus and the following are our comments:

1. The interests of the entire province and the Northwest portion of the province were overlooked in favour of the interests of one community.

2. The proposed facility duplicates the Fairview facility already at Prince Rupert, adding no new services to the Northwest. If the product is split, as anticipated in the report, an inconvenience will be placed on ships who have to move to two ports to get a full load. It is not clear if the so-called benefit of reduced shipping costs will accrue to local exporters or to foreign freight companies.

3. The one possible benefit that a Kitimat port has to offer is the reduced land distance for many exporters. While this advantage is clear for truckers,it is uncertain that there would be any savings for the more energy efficient railroad users. Even if the CN track to Kitimat was upgraded there are still obstacles to overcome before that rail line can match the Terrace-Prince Rupert line (gradient, curves, changing tracks at Terrace etc).

4. The marginal benefits the proposed Kitimat Port offers to truckers are offset by the costs that the diversion of traffic would impose on the Port of Prince Rupert. If the Port ceases to become profitable it will no longer have the resources to expand the services it offers to Northwest clients. Neither Prince Rupert nor Kitimat will have enough volume to attract additional port support facilities to the region.

5. The small labour market required for both Ports would be fractured, resulting in inefficiencies.

6. A profitable operation is necessary to allow enough flexibility to anticipate and react to market forces. For example, the Port is currently working on hookups to allow fish reefer trucks to park their trailers at Fairview prior to shipment. Continued small improvements such as this can add up to major benefits for Northwest exporters.

Perhaps there is a niche for Port facilities in Kitimat that would provide new facilities and services for the Northwest economy. That niche will not be found by simply duplicating the facilities presently found in Prince Rupert. If public funds are to be used for the Kitimat Port development, the benefits of the project should be clear for the entire Northwest region and the province.

Yours truly,

B.E. Barnewall, C.M.C.
Administrator.

06

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE: 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE.
PRINCE RUPERT, B.C.
V8J 1L7

April 12th, 1991

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

RECEIVED
APR 19 1991
628

Re: Kitimat Port Proposal

The attached is my submission to the Major Project Review Process regarding the Kitimat Port Proposal.

Peter Lester,
Mayor

PJL/pjs

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE: 627-0999

CITY OF PRINCE RUPERT, B.C.

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE.
PRINCE RUPERT, B.C.
V8J 1L7

April 12th, 1991

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Submission re: Kitimat Port Proposal

Why is the government in this period of high unemployment, heavy taxation, and operating with a substantial deficit, even considering spending tens of millions of dollars with the sole result of transferring 50 jobs from one community to another?

Peter Lester,
Mayor

PJL/pjs

CITY OF PRINCE RUPERT

424 WEST 3rd AVENUE
PRINCE RUPERT, B.C.
V8J 1L7

INCORPORATED MARCH 10, 1910

PHONE: (604) 627-1781
FACSIMILE NO.: 627-0999

FILE NO.:

Derek Griffin, Coordinator
Major Project Review Process
Ministry of Regional and Economic Development
Fourth Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

April 9th, 1991

Dear Mr. Griffin;

RE: PROPOSED PORT IN KITIMAT

In the case of the proposed development of a deep sea port at Kitimat, we believe the principles of private enterprise are being ignored. The construction of a port at Kitimat, in our view, would create redundant facilities at tax payer expense with no net gain to the economy of northwestern British Columbia. We have yet to be provided with any significant information to the contrary by project proponents.

In order that we might have an opportunity equal to that which was given Kitimat port proponents in developing their port prospectus we ask the following steps be taken to provide us adequate and useful information:

- a public information meeting be held in Prince Rupert immediately;
- full disclosure be made of all publicly funded consultants' reports containing financial data, information about viability of the proposed port and its immediate and future markets;

- questions asked by concerned individuals, labour organizations, our municipal government, tribal councils, native bands and the Prince Rupert Port Corporation be fully and clearly answered by representatives of the Kitimat-Terrace Port Society;

- the April 12, 1991 deadline be extended to allow residents of Prince Rupert adequate time to prepare submissions fully expressing their concerns.

Given the right climate of economic certainty, private enterprise will often respond to demand by providing necessary investment capital. From the information currently available to us there is no demand for construction of redundant port facilities at Kitimat. To the contrary, Fairview Terminals are currently operating at only 40 per cent maximum capacity moving lumber products from throughout northwestern B.C. and forecasts for the lumber industry do not reflect immediate or long term major growth.

Based on a realistic view of our regional economy, there should be no government support for a new facility that would dilute the economic viability of an existing regional port. There should be no government support for any port facility that serves the same hinterland, until such time as the existing market capacity has been saturated.

If a redundant Kitimat Port facility is constructed both ports will ultimately suffer and the tax payer will clearly be the loser.

Sincerely,
CITY OF PRINCE RUPERT

For: Erminio Pucci, Manager
Department of Economic Development and Tourism

CITY OF PRINCE RUPERT

424 WEST 3rd AVENUE
PRINCE RUPERT, B.C
V8J 1L7

PHONE: (604) 627-1781
FACSIMILE NO.: 627-0999

FILE NO.:

INCORPORATED MARCH 10, 1910

April 3rd, 1991

Mr. Frank Blasetti, Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
Parliament Buildings
Victoria, B.C.
V8V 1X4

Dear Mr. Blasetti,

Kitimat Port Proposal

At its regular General Purposes Committee meeting of April 2nd, 1991 the Committee resolved:

1. that a letter be sent to you requesting that a public information meeting be held in Prince Rupert,

2. all documents concerning the proposed Kitimat Port be made available,

3. the deadline for submission of written comments be extended.

Yours truly,

A.C. Lewis, C.A.
Acting Administrator

ACL/ddb

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE: 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE
PRINCE RUPERT, B.C
V8J 1L7

April 4th, 1991

Fax 356-9275

Mr. Frank Blasetti, Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

Dear Mr. Blasetti,

Council thanks you for your offer to meet and suggest the evening of Tuesday, April 9th. Please confirm.

Council is also insistent on the implementation of the three points contained in the attached Council resolution.

P. Lester

Peter Lester,
Mayor

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE. 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE
PRINCE RUPERT, B.C
V8J 1L7

March 28th, 1991

Kitimat-Terrace Port Society
Mr. Rick Wozney, Chairman
270 City Centre
Kitimat, B.C.
V8C 2H7

MAR 28

We understand that the feasibility report will be available in the Prince Rupert Public Library next week - we further are advised that the three other reports listed in your prospectus are not available.

We have requested the Major Project Review Process to make these three reports available.

Further, since the City of Prince Rupert and the Port of Prince Rupert are the organizations requesting these reports, why did you decide to not send copies directly to us?

Peter Lester

Peter Lester
Mayor

P J LESTER MAYOR

PHONE (604) 627-1781
FACSIMILE 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE
PRINCE RUPERT, B.C.
V8J 1L7

March 28th, 1991

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

We have been advised by the Kitimat-Terrace Port Society that 3 copies of the Sandwell Feasibility study will be available in the Prince Rupert Public Library.

There are three other reports to which we have no access and which are required in order to complete our submission by your April 12 deadline.

We believe your own guidelines authorize you to order the proponent to make these three reports public as well as to hold a public information meeting in Prince Rupert.

Please consider this letter our formal application to extend the deadline for submissions from April 12 to May 1 while these two items are processed.

Peter Lester

Peter Lester,
Mayor

PJL/pjs

P.J LESTER MAYOR

PHONE (604) 627-1781
FACSIMILE 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE
PRINCE RUPERT, B.C.
V8J 1L7

March 28th, 1991

MAR 29

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

We understand that access to the document which you have authorized to be placed in the Prince Rupert public library is to be restricted by limiting this access to use on the premises.

There is no reason why the City of Prince Rupert and the Port of Prince Rupert should not have a copy.

This is yet another example of the obstacles being placed to prevent our thorough analysis of the project.

Peter Lester

Peter Lester,
Mayr

PJL/pjs

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE: 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE.
PRINCE RUPERT, B.C.
V8J 1L7

March 26th, 1991

MAR 26 '91

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

There obviously is a some reason for Major Project Review Process reluctance to provide the public meeting in Prince Rupert as requested.

Could you advise us:

1. What are your objections to this meeting?

2. Is the Major Project Review Process independent and non-political?

3. Does the fact that the proposed Kitimat project is indeed a provincial project funded by the province, and appears to be politically motivated, have any effect on your decision?

4. When may we expect an answer to our letter dated March 21st, 1991.

Peter Lester

Peter Lester,
Mayor

PL/db

P.J. LESTER, MAYOR

PHONE (604) 627-1781
FACSIMILE 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE.
PRINCE RUPERT, B.C.
V8J 1L7

March 22nd, 1991

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

MAR 25

The City of Prince Rupert is preparing a formal written submission in respect of the Kitimat port proposal.

The present deadline for submissions is April 12, 1991 and we are concerned at this late date that we do not have access to certain information for the Society that we require in order to complete our submission. Accordingly we respectfully request that you obtain for the City of Prince Rupert, as soon as possible, the information and documents set out in the appendix to this letter.

Peter Lester

Peter Lester,
Mayor

Enclosure 1

Appendix A

These documents are listed in the Kitimat Marine Terminal Development Prospectus:

1. Project Feasibility Study prepared by Sandwell Inc.
2. Cargo Forecasts prepared by Price Waterhouse
3. Environmental and socio-economic Assessments prepared by Norecol Environmental Consultants Ltd.
4. Geotechnical studies prepared by Golder Associates

Province of
British Columbia

OFFICE OF THE
DEPUTY MINISTER

Ministry of
Regional and
Economic Development

Sixth Floor
712 Yates Street
Victoria
British Columbia
V8V 1X5

March 27, 1991

His Worship Peter Lester
Mayor of the City of Prince Rupert
424 West 3rd Avenue
Prince Rupert, British Columbia
V8J 1L7

Dear Mayor Lester:

I would like to thank you for your recent letters to the Chairman of the Major Project Review Process (MPRP) in which you request a public information meeting be held in Prince Rupert regarding the Kitimat-Terrace Port Society's port proposal.

As you note in your letter, the Kitimat-Terrace Port Society has already held public information meetings in Kitimat and Terrace. Under the MPRP Guidelines (attached), you will note on page iii of the Detailed Guide to Prospectus Preparation and Review that "the proponent is to hold a public information meeting ... to introduce the proposed project to the community". The proponent has satisfied this requirement, and the MPRP does not require additional public information meetings at this stage of the review process.

The public review period for a Prospectus is noted on page 7 of the MPRP Guidelines. It requires interested parties to submit written comments within thirty days of the date of the advertisement announcing the submission of the Prospectus. For the Kitimat Port project, the public has been given until April 12th to submit written comments, a total of 37 days since the Prospectus was advertised. Government agencies have an additional two weeks to submit comments, to allow them to respond to issues raised by the public.

.../2

Following review of all agency and public comments, the Major Project Steering Committee makes a decision on disposition of the project, subject to endorsation by the Cabinet Committee on Sustainable Development.

In terms of your request for background reports, this request has also been forwarded to the proponent. Insofar as the MPRP is concerned, the proponent's Prospectus document meets the requirements for a Prospectus, as set out in Appendix 2 of the MPRP Guidelines.

I would like to assure you that the concerns of Prince Rupert residents and organizations will be given full consideration in the review of this project. If you believe there would be merit in representatives of the MPRP Steering Committee travelling to Prince Rupert to meet with you and other Council members to discuss how the Port Society's project is being reviewed, and how you feel the project may impact the community of Prince Rupert, please contact Mr. Frank Blasetti, Director, Primary Industries Branch, at 387-3707.

Thank you again for advising us of your concerns. The MPRP Steering Committee looks forward to receiving a submission from the City of Prince Rupert.

Yours sincerely,

R. S. Plecas
Deputy Minister

Attachments

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE: 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE.
PRINCE RUPERT, B.C
V8J 1L7

March 21st, 1991

Chairman
Major Project Review Process
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C.
V8V 1X5

MAR 22 1991

Re: Major Project Review Process

Representatives of Prince Rupert have attended public meetings in Kitimat and Terrace regarding the Kitimat-Terrace Port Society prospectus on a proposed port at Kitimat.

There is considerable concern locally that this proposal, if implemented, would have a severe impact on Prince Rupert. It seems obvious that local residents should have the opportunity of voicing their concerns in a public forum in their own community, as those residents of Terrace and Kitimat have enjoyed.

We formally request that a public information meeting be scheduled for Prince Rupert well in advance of the deadline for written submissions of April 12th, 1991. We recommend that this meeting be held no later than the week of March 25th - 28th, 1991.

We believe the Socio-economic impact to our community will be significant and we should not be left out of the Major Project Review Process.

P. Lester

Peter Lester,
Mayor

PJL/pjs
cc: Hon. Cliff Serwa, Minister of Environment
Hon. Bud Smith, Minister of Regional and Economic Development

P.J. LESTER, MAYOR

PHONE: (604) 627-1781
FACSIMILE: 627-0999

OFFICE OF THE MAYOR

CITY HALL
424 WEST THIRD AVE.
PRINCE RUPERT, B.C.
V8J 1L7

March 18th, 1991

Kitimat-Terrace Port Society
c/o Mr. Jim Gustafson
Municipal Manager
District of Kitimat
270 City Centre
Kitimat, B.C.
V8C 2H7

I want to congratulate the Committee and the Minister on this prospectus.

I know how diligently the Minister has worked, defying sceptics as well as economics. I sincerely hope that Mr. Parker will be re-elected as a direct result of his efforts, and I am confident that Premier Harcourt will appoint him to the Cabinet.

I was impressed by this imaginative "prospectus", but I should point out that if the intention were to have been to induce financial investment instead of a political mirage, even Michael Milken in his heyday would have difficulty unloading junk bonds paying 25% interest.

The plain fact is that if the Province were to proceed with this project, multi millions in capital and annual operating deficits would be wasted.

However, since the Province seems determined to squander everybody else's money on an uneconomic and unnecessary facility, robbing dollars from schools and hospitals, I'd like to find out a bit more about the plans because I could be convinced, with the proper explanations, that this meets the criteria for a government subsidy.

So with the Chair's permission, I have 3 questions:

1. I have learned from sources close to both the consultants and the government that while the recommendation of the consultants is that the port in Kitimat is not, repeat, not economically viable, the prospectus does not include this recommendation. To remove doubt about the completeness of the "prospectus" , will the government make the full consultant's report public this week?

2. I note that the "prospectus" calls for dredging this year. Does the committee have the required approval under the Navigable Waters Protection Act? If not, when will this approval be given?

3. Will somebody answer the first two questions?

Peter Lester,
Mayor

PJL/pjs

PORT EDWARD B.C.

OFFICE OF THE MAYOR

PHONE: (604) 628-3667

VILLAGE OF PORT EDWARD

567 SUNSET DRIVE
PORT EDWARD, B.C.
V0V 1G0

91-04-09

RECEIVED
613
APR 17 1991
REGIONAL & RESOURCE
DEVELOPMENT BRANCH

Chairmen,
Major Project Review Process
Province of British Columbia,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

Dear Sirs:

RE: **Kitimat Port Proposal**

The Council of the Village of Port Edward is very concerned with the direction this review process is proceeding.

On the face of the project, the Village has a difficult time with the concept of interfering with the economic interests of another municipality. The Village recognizes the right of the District of Kitimat and its partners to do what they believe is in their best interests.

We also recognize however, that the City of Prince Rupert and its economic partners has the right to question what they consider will have a detrimental effect on their economy.

If the playing field were level, the Village would not comment, but due to Provincial funding of the feasibility studies etc., the Village is of the opinion that not all is equal. The information should be considered a public document and made available to all affected parties.

In addition, because of the potential impact on another municipality, we are of the opinion that adequate time and due process should be a major consideration of the affected parties.

We would request that the Project Review Committee consider the following observations:

1. That all documents associated with this project which have been paid for by the provincial government be made available to all interested parties.

2. That one phase of the public hearing process be held in the City of Prince Rupert

3. That a delay be made in the April 12, 1991 hearing date to allow adequate time for the documents to be released to the affected parties to review and to prepare their cases.

We are ultimately concerned the animosity that is being developed surrounding this project will have a lasting long term negative effect on the North Coast region as a whole.

All parties to this process should be encouraged to put this review in its right place. That is, one of professionalism, courtesy and the ultimate merits of the project.

Yours truly,

D.A. Simmons,
Mayor

c.c. City of Prince Rupert
District of Kitimat
City of Terrace
Hon. Bud Smith
Hon. Dave Parker
Dan Miller, MLA
Jim Fulton, MP

District Of Stewart
Post Office Box 400
Stewart, British Columbia
V0T 1W0
Tel (604) 636-2251
Fax (604) 636-2417

APR 12 1991

April 9, 1991

OUR FILE 42A.1(b)

Mr. Dan Miller, M.L.A.
123 - 3rd Street
Prince Rupert, BC
V8J 4C4

Dear Mr. Miller:

It has come to my attention that MPRP will be holding a meeting this evening, in Prince Rupert, to discuss the proposed Kitimat Port Development. As I cannot attend the meeting, I would ask that you speak on my behalf.

I understand that a report has been prepared for the proposed port development by a company called Sandwell. The report states that product from the proposed Orenda pulp and paper mill will be shipped through Kitimat. I wish to advise you that Orenda has stated in their prospectus of December 24, 1990, at a public meeting in Stewart on January 10, 1991, and in a letter dated February 8, 1991 to myself, that the Port of Stewart is to be utilized for the shipment of product from the proposed Orenda Mill. I am extremely concerned that the Sandwell report would state otherwise. I would therefore ask that you request that MPRP extend the April 12 deadline for submissions on the port proposal. I would further request that the District of Stewart be provided with a copy of the Sandwell report in order that my Council may have the opportunity to review the report and submit any comments they might have to MPRP.

Thank you for your assistance in this matter.

Sincerely,
DISTRICT OF STEWART

Darlene Cornell

Darlene Cornell
MAYOR

DO/lh
miller.ltr

District Of Stewart
Post Office Box 460
Stewart, British Columbia
V0T 1W0
Tel (604) 636-2251
Fax (604) 636-2417

724 OUR FILE NO. Y49.1(c)

April 26, 1991

Chairmen,
Major Project Review Process
Province of British Columbia
Parliament Buildings
Victoria, BC
V8V 1X4

Dear Sirs:

RE: Kitimat Port Proposal

At the regular meeting of April 22, 1991, Council passed a motion supporting the letter of April 9, 1991 from the Village of Port Edward. (attached)

My Council and I are distressed that firstly, the District of Stewart has been quoted as supporting the Port Proposal and secondly, with the Sandwell Report claiming the proposed Orenda pulpmill will be shipping its product through Kitimat. In both cases these statements are incorrect.

This obviously begs the question as to the accuracy of the Sandwell and other associated reports and the viability of the Port Proposal.

It is my Council's wish that the viability of this proposal be given a serious indepth review.

Cordially,

THE DISTRICT OF STEWART

Darlene Cornell

Darlene Cornell,
Mayor

/ld

enc. (1)

c.c. City of Prince Rupert,
City of Terrace,
Honourable Bud Smith,
Jim Fulton, M.P.,
Mayor D.A. Simmons,
David Brown, Arrow Transportation
District of Kitimat,
Honourable Dave Parker,
Dan Miller, M.L.A.,
International
Longshoremen's Union
Vancouver & Stewart

Agenda

PORT EDWARD B.C.

OFFICE OF THE MAYOR

PHONE: (604) 628-3667

VILLAGE OF PORT EDWARD

567 SUNSET DRIVE
PORT EDWARD, B.C.
V0V 1G0

91-04-09

Chairmen,
Major Project Review Process
Province of British Columbia,
Parliament Buildings,
Victoria, B.C.
V8V 1X4

RECEIVED
APR 1 8 1991

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Yours truly,

D.A. Simmons,
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